In 2 Sections-Section 1

The Commercial and FINANCIAL CHRONICLE

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REPORTER'S

As had been anticipated the return to their regular pursuits of investment bankers, who had been devoting their full time in recent weeks to the Treasury's Second Victory Bond Drive, has reflected in a pickup of activity among underwriting firms.

Whereas a week ago there was little to indicate that the impending competitive sale of the Public Service Company of Indiana refunders would attract more than a single bid, next Monday, the picture is now changed.

Now there are growing indications of real competition developing for this issue which will be one of the largest utility undertakings since the turn of the year, involving as it does \$38,000,000 of new first mortgage bonds.

Among those who have been looking the situation over with respect to this particular issue and seeking to calculate the probab basis on which it will be sold there has been plenty of activity. since it is the first offering in quite a while.

The consensus seems to be that the bonds probably will go at a price to indicate a yield of somewhere between 3.10 and (Continued on page 1676)

Pennsylvania Corporates-Municipals

Special section devoted exclusively to Pennsylvania corporate and municipal securities and brevities starts on page 1162.

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Federal Taxes and Utility Earnings "Free Dollar" Urged As Alternative

By ERNEST R. ABRAMS

Some of you may recall that approximately a year ago, in the "Financial Chronicle" of May 7, this writer discussed certain phases of the 1942 Revenue Act, then pending before Congress, under the title of "The Myth Of Excess Profits In The Electric Utility Field." In it, he sought to show that public regulation of operating utilities, instituted by two States nearly 46 years ago, and since adopted by the District of Columbia and every State in the Union but Delaware, has for its primary objective such control over rates that no more than a fair return can be earned on the value of utility property devoted to service of the public. And where, in isolated instances, a utility does earn more than the allowable rate of return, rate reductions quickly are instituted to bring earnings into line with prescribed maximums. Under these conditions, excess profits cannot exist in the field of public service.

The Secretary of the Treasury, moreover, told Congress, on March 3, 1942:

A substantial share of the increased corporation tax should fall on excess profits. Taxes paid from such profits have less disrupting effects on business than taxes which are generally applicable to all corporate earnings irrespective of the rate of return. A tax which absorbs excess profits still leaves the corporate taxpayer with a sufficient margin of income for dividends and safety. . . . At a time like this, I am confident that incorporated business will willingly pay additional taxes which will, after all, leave it in the aggregate about the same amount of income after taxes as during the years before 1940.

The recommendations of the Secretary, unfortunately did not follow the policy outlined in his statement, nor did Congress pay them much heed in writing and adopting the 1942 Revenue Act. For one thing, the need of vastly expanded Federal revenue was great in that year. And, for another, all members of the House and a third of the Senate had to stand for re-election in November. So Congress took the easiest way out. Following the practice pursued in creating the 1941 Revenue Act, it continued the expedient of assessing excess profits taxes on any increase in earnings over the 1936-1939 average in advance of normal taxes.

To be sure, it ironed out some of the inequities of the 1941 Act, but it still made possible the siphoning off of a much greater proportion of corporate earnings, particularly (Continued on page 1670)

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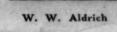
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To Treasury And Keynes Proposals

Aldrich Sees Dollar Anchorage For World Currencies

The suggestion that a "free dollar" be established in the postwar world was offered on April 29 by Winthrop W. Aldrich as an alternative to the two plans recently proposed in tentative form, viz, that of the United States Treasury and the British or Keynes plan. Mr. Aldrich, Chairman of the Board of the Chase National Bank of New York, in presenting his views, said:

covery by checking do-mestic inflationary forces, by resuming gold payments, and by removing all foreign exchange con-trols. If these policies were followed, the dollar would constitute a sure anchorage for the currencies of other nations and would be-



come a generally acceptable international medium of exchange. The address of Mr. Aldrich was feature of the International Luncheon on April 29 of the Chamber of Commerce of the United States at its annual meeting at the Waldorf-Astoria Hotel in New York. The remarks of Mr. Aldrich were devoted to the two recently announced plans as to which he noted that the one proposed by the United States Treasury (attributed to Henry D. White, an Assistant to Secretary Morgenthau) calls for the establishment of a United and Associated Nations Stabilization Fund, while the British proposal calls for the establishment of an In-

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ternational Clearing Union. The "At the end of the war this latter was referred to in our iscountry can render its greatest sue of April 15, page 1388, while details of the Treasury plan appeared in these columns April 8, pages 1300 and 1305. The general purposes, the similarities and differences of the two plans were pointed out by Mr. Aldrich, who observed that "an important difference in the two plans consists in the fact that the American Fund would actually possess assets contributed on a pro-rata basis by member nations. The British Clearing Union would not possess assets at its organization but would allow member nations to build up credit or debt balances to certain prescribed limits and subject to certain conditions."

Mr. Aldrich in his concluding remarks, stated that "an impor-(Continued on page 1678)

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Hemingway Announces ABA Will Present Plan For World Currency Stabilization McDonald-Coolidge Co.

Declares World Currencies Must Be Fastened To Gold That there is to be developed a currency stabilization plan by the American Bankers' Association was made known by W. L. Hemingway, President of the ABA, before the convention of the Mexican Bankers' Association at Chihuahua, Mex., on May 3, who stated that "already the English plan of Lord Keynes and the American plan of Mr. White have been published and are being studied." "On

one thing," said Mr. Hemingway,
"I think I may say we are al- publics are linked together. Howready in unanimous agreement, ever great may have been the dif-

there is a W. L. Hemingway growing feelthat the destinies of the 21 re-

and that is that the re-established ferences in our origins and our currencies of cultures, we are neighbors in the the world new world, and now with the de-must be firm- velopment of new means of transly fastened to portation, we can become truly gold." Mr. helpful each to the other. When Hemingway, the great struggle in which we who is Pres- are now engaged is over, there ident of the will be another opportunity for and secretary-treasurer of the Mercantile- each of us to improve its own Ohio Municipal Advisory Council. Commerce economy by developing a greater Bank & Trust exchange of goods between our- eral months as secretary of Area Co. of St. selves. In this way we can build Louis, Mo., an Inter-American trade that will District in the first Victory Fund had for his contribute to the prosperity of drive. s u b j e c t us all in time of peace, and to "South of the our strength in time of war. Let Border," and us not permit that opportunity to slip from our grasp, but rather let us seize and develop it as "Everywhere" partners, that it may always be a fixed and permanent part of the foreign policy of each of our

(Continued on page 1676)

Asks Congress For Provision To Set Aside Reserves Before Taxes For Peacetime

Glenn L. Martin, President of The Glenn L. Martin Co., said in an interview on April 28 at Omaha, Neb., that unless Congress makes some provision so industry can set aside reserves before taxes, for reconversion to peacetime operations, American industry is threat-ened with collapse after the war. An Associated Press dispatch from Omaha, on April 28, from which the above was taken, also gave other remarks of Mr. Mar-

tin as follows:

"The people," he said, "have

civilian needs other things - to take up the tion ends. But fact is no money to purpose. reconvert to

Congress to act. First of all. it takes time to get any such bill been looking to a backlog of through Congress-precious time. Second, any relief then would for cars, for have to take the form of giving refrigerators, back to industry some of the for hundreds money it has paid in taxes, and that would be difficult."

Declaring that "nobody wants slack when to make money out of reconverproduc- sion," Mr. Martin suggested that money to make reconversion posthat many in- sible could be set up in a special dustries have account, to be used for no other

too late when the war is over for be paid to the Government."

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R. C. Chapman Joins

CLEVELAND, OHIO - R. C. Chapman, municipal securities analyst for the National City Bank of Cleveland for the past eight years, has become associated with the municipal bond department of McDonald-Coolidge & Co., Union Commerce Building, memters of the Cleveland Stock Ex-

Before joining the National City Bank in 1927, Mr. Chapman served for eight years as financial clerk for the Board of County Commissioners of Cuyahoga County. He is a member of the Cleveland School Board Sinking Fund Commission, and is trustee He recently was on loan for sev-1 of the Fourth Federal Reserve

Wells-Dickey Inc. Is Formed In Mpls.

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previously President of WellsDickey Co., President; Stuart Wells Jr., formerly of the Dayton Co., Secretary-Treasurer, and Edward P. Wells, previously with the Northwestern National Bank, Vice-President

Sholts & Basing With Gardner F. Dalton Co.

(Special to The Financial Chronicle)
MILWAUKEE, WIS.—Budd L. Sholts and Mr. Myrtle M. Basing have become associated with Gardner F. Dalton & Co., First Wisconsin National Bank Build-Mr. Sholts was formerly ing. proprietor of the Sholts Investment Co. Mr. Basing was with Carl S. McKee, and prior thereto was with Dalton, Riley & Co.

J. L. Barth Co. Resumes

CINCINNATI, OHIO—The J. L. "And finally, when the job is ties as dealer in investment Barth Co. is resuming its activithings; their done," he continued, "the Govern-securities from offices in the reserves are ment could send in accountants Dixie Terminal Building. Offigoing to the to see how much was spent. If cers of the firm are: John L. Government the whole amount was not Barth, President and Treasurer; "It will be needed, whatever was left could M. A. Barth, Vice-President, and B. J. Munninghoff, Secretary.

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J. R. Timmins Co. To Admit Conway, McCabe

On May 13, John J. Conway and Vincent J. McCabe will be admitted to partnership in J. R. Timmins & Co., 61 Broadway, New York City, members of the New York and Toronto Stock Exchanges and the Montreal Curb Market. Mr. Conway has been associated with the firm in New York City for many years. Mr. McCabe has been Manager of the firm's Toronto office, 350 Bay

B. F. Troxell With Hornblower & Weeks

CHICAGO, ILL.-Benjamin F. Troxell has become associated with Hornblower & Weeks, 39 S. La Salle Street. Mr. Troxell for the past 10 years has been Vice-President of Sills, Troxell & Minton.

business as Walter Benjar & Co. Street. Managers of the new from offices at 30 Pine Street, branch are Logan A. McKee and the radio and electronics field is 4-3540. New York City, in partnership with E. Benjar. Mr. Benjar has been doing business as an individual dealer, and prior thereto was a partner in W. L. Ertinger & Co.

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We realize that the tremendous pressure of current events makes it extremely difficult for most of us to look or even try to look too far ahead. But our firm conviction is that the world, with this land as leader, will once more emerge from these trying times to a better life than ever before and that the new fields of chemistry, plastics and electronics will be great fac-tors in that advance. Steel, the railroads, oil, the automobile and many other industries have in their turn provided the new outlet for man's imagination and energy. The comparative infancy of plastics and electronics might well develop into maturity on an even greater scale than any of the others.—

With most of our force during the month of April actively engaged in the Second War Loan drive, little attention has been given to placing Municipals, which however, because of the abundance of funds and present freedom from income (Continued on page 1676)

Barrett Herrick Opens New St. Louis Branch

ST. LOUIS, MO.—Barrett Her-Now Walter Benjar & Co. rick & Co., Inc., has opened a new that undoubtedly exists completely untapped. Walter C. Engman. Both were formerly with Murdoch, Dearth & White; prior thereto Mr. McKee was sales manager for Redden & Co. and Mr. Engman was with Scherck, Richter Co.

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International Currency

By D. STEWART IGLEHART President, W. R. Grace & Co.

The Keynes Plan is very clever. It represents his well-known philosophy and would suit the present economic position of some countries. Wherever their supply of gold is limited and their world credit is limited, countries would probably like to capitalize their trading power with a scheme for trading in what are virtually "chips" (bancors).

is turning toand wants to is commonly money.

D. Stewart Iglehart

happy. They have failed def-

I am inclined to think that the initely or relatively wherever world as a whole today would they have been tried; the reason not be satisfied to trade in chips. being that managed currencies In fact, there are subject to speculation and are is a very apparent tend-parent tend-abuse. They inevitably interfere ency in just with international trade and gradthe opposite ually lose their value. The labordirection. The ing man is the sufferer and he movement of really pays the price of failure.

gold, particu-larly in the lish a theoretical world currency last few and hope that the people of the months, points world will immediately believe rather clearly in it. They will not. The great to the fact asset that we have today is the that the world dollar and the fact that the whole world believes in it. All we need ward gold to do now is to assume leadership.

If our banks are ready to take trade in what the lead, using the dollar as the standard of value and giving called honest credit to the central banks of the world to the extent to which they The experi- are entitled to credit, and seeing ence of most countries in man- that those credits are sound, aged currencies has not been too self-liquidating and collateralized

(Continued on page 1677)

The Future Of The Radio Industry

The post-war demand for radio sets is quite likely to be of amazingly large dimensions. It has been estimated that there are in the United States (omitting consideration of the export market) about 50,000,000 or 60,000,000 radio sets, with an average life of about five or six years.

This would apparently indicate an annual replacement demand of about 10,000,000 sets, but leaders in the industry reduce this to unquestionably one of America's

ing and the public's correct diagnosis that civilian sets would no

longer be manufactured. However, to the normal annual replacement demand, there should be added the increased business that will result from new models finance, announce the removal of and the substantial television field

8,000,000 sets, pointing out that growth industries and that inmany families possess more than vestors interested in long-term one radio, which accordingly appreciation should give serious slows down replacement demand. consideration to the common The biggest year, 1941, witnessed the sale of 14,000,000 sets, but this in the industry (Philco, Radio is regarded as far above normal Corporation, Sylvania, Zenith and and primarily due to scare-buy- General Electric.-Ralph E. Samuel & Co.

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Benjamin Block Joins Daniel F. Rice & Co.

CHICAGO, ILL. - Benjamin Block has become associated with the New York Stock Exchange house of Daniel F. Rice & Company, 141 West Jackson Boulevard as a special representative. Until recently Mr. Block was a partner in the New York firm of Block, Maloney & Co.. members of the New York Stock Exchange.

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The issuance and sale of the certificates to be issued under the Philadelphia plan is subject to Interstate Commerce Commission approval. They are to be secured by 2,380 50-ton composite hopper cars, whose total estimated cost is approximately \$6,577,037.

Henehan At Conrad, Bruce

(Special to The Financial Chronicle) SEATTLE, WASH.—Kevin G. Henehan has become associated with Conrad, Bruce & Co., 1411 official information bureau. Fourth Avenue. Mr. Henehan in the past conducted his own in- in this subletting are unobtainvestment business in Seattle.

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feet. The land owned in fee upon®

Besides the advantage of being located close to many transit facilities, and its close proximity to the Grand Central Station, the unobstructed light of its offices overlooking the New York Public Library makes the office space in the building very desirable.

First mortgage certificates were issued to the public by the City Bank Farmers Trust Co., who are the present trustees. They represent an equal participation in a first mortgage on the land and building described above and are currently outstanding in the amount of \$3,374,500.

These first mortgage certificates may be purchased at 40% of face.

may be purchased at 40% of face value despite the fact that they pay 5% interest and 1% amortization. On this basis a yield of over 12% is obtainable.

At this depressed price a value of only \$1,349,800 is placed for the entire mortgage. This is only slightly higher than one-half the 1943 assessed value of the land alone, with the building thrown in for nothing. The City of New York in its 1943 assessment values the land at \$2,600,000 and the land and building at \$4,150,000.

It is also interesting to note that in 1926 when the building was completed and the City Bank Farmers Trust Co. made this loan, the land was appraised at \$2,-310,000 and the building at \$3,-435,000, a total value for the property of \$5,745,000.

Comparison of the following summarized earning statements indicates an improvement of earnings during the past year:

-Year Ended 12-31-42 12-31-41 --- \$467,016 \$452,222 --- 97,595 99,552 124,372

Available for interest__ \$246,166 \$228,222

We made an investigation to 2.15%, according to maturity. Farmers Loan & Trust Co. had Other members of the offering vacated the corner store and second floor in the building because of consolidating their offices with bublic Co., Inc.; Moore, Leonard & Lynch; Edward Lowber Stokes & Co., and F. S. Yantis & Co., Incorporated.

The issuance and sale of the lever, they still are bound on a lever of the lev lease for this space at an annual rental of \$183,000 until May, 1946, and have been paying this rental promptly when due. We found that they had made an extensive alteration of the space and had sublet the store to two tenants, the Florsheim Shoe Co. and Peck & Peck, an exclusive ladies' sportswear concern. The second floor space, we understand, has been sublet to a finance company and the Swiss Federal Railroads

> Rental figures secured by them able, but the consensus of opinion April 16.

which the building is constructed is that they are considerably less has a frontage of 104.10 on the Avenue and 140 feet on the Street. Farmers Loan & Trust Co. lease.

It is therefore apparent that the current low price of these bonds is the discounting of the possible loss in rent, May, 1946.

We feel, however, that this situation has been too far discounted. Let us assume for the sake of argument that only one-half the rental the Farmers Loan & Trust Co. are paying can be obtained at the expiration of their lease in 1946, and that the balance of the income and expenses remain the same as in 1942.

This would leave \$154,666 for the interest requirements. In 1942, was \$168,725. In 1946, due to reduction of principal of the mortgage by amortization of approximately \$100,000, the interest requirements at 5% will be \$163,-000. If the figures we assume are correct this would mean the building would earn within \$9,000 of 5% interest requirement. You will note 1942 gross income

(Continued on page 1675)



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Robt. Howard To Be de Cordova Partner

Robert F. Howard, member of the New York Stock Exchange, becomes a partner in Cyril de Cordova & Bro., 25 Broad Street, New York City, members of the New York Stock Exchange. Mr. Howard in the past was a partner in the firm and was also active as an individual floor broker.

Interest of the late Cyril de Cordova in the firm ceased on Leader in Electronics

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Warren Brothers Co.'s Report Of Operations—Debt Reduced By \$5,763,100

The continuance of the war effort throughout the year was responsible for the substantial increase in volume of work done by Warren Brothers Co. and its subsidiaries. Contracts secured by the associated companies during the year amounted to \$36,751,849. With the carryover from the previous year this provided a total volume of \$40,351,211. Of this amount \$32,707,402 was completed during the year, leaving a carryover of

Operations resulted in net earnings of the parent and its consolidated subsidiaries, together with its proportional share of the net profits of its controlled associated that Congress would soon be asked companies, of \$1,021,916, after provision for federal income taxes of \$677,060, depreciation of fixed assets of \$485,549 and special reserves of \$335,000.

Operations of the previous year resulted in a profit of \$713,350, after provision for federal income taxes of \$190,620 and depreciation of fixed assets of \$318,400.

In considering the earnings for 1942 Charles R. Gow, Chairman and W. R. Kirkland, President, stated in their remarks to shareholders it should be borne in mind that a very substantial part of the work done during the year is subject to renegotiation. This matter is now before the War Department and, until concluded, the effect, if any, of renegotiation on the earnings of 1942 will not be known.

By giving effect to the plan of reorganization, completed late in 1942, together with current earnings, the deficit at December 31, 1941, of \$4,448,285 has been eliminated and a surplus created at Dec. 31, 1942, of \$2,263,066.

The plan of reorganization provided for a funded debt of \$4,150,-300 Series A 41/2 % bonds and \$4,-150,300 Series B 5% income bonds. As of Dec. 31, 1942, through the exercise of the privilege of exchange for Cuban Bonds, sinking fund operation and purchase for retirement by the company, the debt was reduced to \$2.281,600 Series A and \$1,461,900 Series B bonds. The limitations imposed by the collateral trust indenture of August 1, 1941, on the exchange the board of directors on April 27, On the same date the limitation on the sale of Cuban bonds through sinking fund operation was raised from \$1,000,000 to \$1,500,000. The outstanding debt at April 27, 1943, was \$1,498,600 A bonds and \$1,-038,900 B bonds. As of April 27, 1943 the exchange privilege may be exercised to the extent of \$757,-000 par value of A and B bonds.

Traction Issues Look Good

City, Shawnee Interurban. Railway, and the first mortgage income 5s of 1955 of Des Moines Railway Co. offer attractive pos-Building, Philadelphia, members of the Philadelphia Stock Exchange. Copies of these analyses may be had from the firm upon request.

Circular upon request

ESTABLISHED 1879

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\$7,643,809 available for 1943 oper- Seeks Judicial Reviews

Of ICC Findings

The National Conference of Investors announced on April 28, to enact legislation requiring Judicial reviews of the findings of the Interstate Commerce Commission in railroad reorganiza-Reporting this the New "Times" of April 28, also tions. stated:

The purpose is to require Federal courts to exercise independent judgment as to values and related matters in passing upon plans of reorganization certified to them by the Commission. The conference said recent decisions of the United States Supreme Court had held, in effect, "that the findings of the Interstate Commerce Commission as to value, capitalization, equity of present stockholders and other important questions are final and not reviewable by the courts."

Matters connected with the proposed legislation are under the direction of a committee headed by Harry W. Harrison of Philadelphia, a director of the Chicago & North Western Railway and chairman of committees acting for preferred stockholders of the Chicago & North Western and the New York, New Haven & Hartford Railroad. The office of the National Conference of Investors is at 116 Nassau Street.

Form Zippin Co., New **Chicago Dealer Firm**

CHICAGO, ILL,-Organization of a new Chicago investment firm, of A and B bonds for Cuban bonds Zippin & Co., which will deal in in 1943 was increased by vote of foreign and domestic securities, is announced. Israel Zippin will South La Salle Street. Mr. Zippin has specialized in foreign securities for the past 18 years and for the past nine years has been with Carl Marks & Co., Inc., here where he was Vice-President in charge of the Chicago office. Mr. Davidson has been on La Salle Street since 1928 and is Secretary and Treasurer of G. W. Thompson & Co. He will be in charge of The first mortgage fixed and municipal and corporate securities income 6s of 1954 of Oklahoma departments of the firm.

Gammack Admits O'Neill

Cyril C. O'Neill will be adsibilities. according to analyses mitted to partnership in Gamprepared by Lilley & Co., Packard Building. Philadelphia, members York City, members of the New York Stock and Curb Exchanges, effective May 13.

H. Blair Tyson withdrew from the firm as of April 30.

Effect of U. S. Supreme Court Decisions on Railroad Reorganization Securities

Chicago North Western Decisions and What the Cash Means

Copies on request

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Railroad Securities

While the Seaboard Air Line bonds have been attracting considerable new buying interest recently, they have not been so spectacular as some of the other low and medium priced reorganization securities. At present prices the 1st 4s, 1950, the Refunding 4s, 1959, and the Consolidated 6s, 1945, are considered by many rail men as being among the most attractive in the general defaulted group.

To a large extent the recent® heavy buying in all sections of the reorganization market has been based on the rapid accumulation of cash, and the growing realization that eventually this cash must go to strengthen the position of outstanding bonds. The benefits may come in the form of larger interest disbursements, retirement of senior debt of the old company, or, where reorganization has progressed to the point of court approval, through eventual retirement of new bonds when the new company is organized and the cash turned over to its treasury. Many reorganization bonds have scored phenomenal price gains in the past month merely on the hopes generated by these theories. In the case of Seaboard, however, it is not a matter of hopes alone, it is a matter of

actualities. The expected benefits from large cash accumulations have already been accruing to holders of the Seaboard bonds. The Receivers, Special Master and the Court in the Seaboard reorganization were all quick to realize the potentialities in retirement of debt prior to reorganization, and instituted an aggressive program looking towards this end last year. No other reorganization company has made such wide progress. Through calls for tenders of the Receivers' Certificates and the Seaboard All Florida bonds, and through a liberal cash offer to holders of the Raleigh & Augusta and Raleigh & Gaston bonds, Seaboard Air Line in the last year has reduced its outstanding debt by more than \$37,000,000. It is generally expected that this policy of debt retirement through purchase or call for tenders will be continued this year, and so long as the war boom lasts and no reorganization is consummated. The potentialities along this line are great.

Recent computations show that the entire debt of Seaboard and its leased lines, including Receivers' Certificates but excluding being made up of the Receivers'

We recommend dealers' consideration, at this time, of all issues of

Chicago, Rock Island & Pacific R. R. Co.

Particularly the GENERAL 4s, 1988, both Coupon & Registered

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Certificates, divisional liens and subsidiary debt expected to participate in any reorganization. Income available for charges last year was more than 50% of the total market value of these securities, and there is little question but that the 1943 income available for charges will top the 1942 results by a considerable margin.

In last year's debt retirement program the company utilized something more than \$14,000,000. Also, the increase in investments in other than affiliated companies indicates that the Receivers probably purchased some U.S. Government bonds. Nevertheless, at the end of the year there was a balance of cash, special deposits equipments which are provided and temporary cash investments 1943, from \$1,000,000 to \$1,500,000. be President and Howard L. Da- for by the depreciation accruals, (not including the investments in vidson will be Vice-President. had a market value of less than other than affiliated companies Offices have been taken at 208 \$65,000,000. Of this total the commentioned above) of \$17,185,000. bined 1st 4s, Refunding 4s, and The balance sheet also revealed Consolidated 6s accounted for receivables of roundly \$9,500,000 about \$35,000,000 with the balance of which a large proportion is be-(Continued on page 1675)

> We wish to call your attention to the following rather interesting comparison:

1st Quarter Net Operating Income Railroad Funded Debt Missouri Pacific__ \$434,000,000 \$11,883,000 Rock Island ___ 317,600,000 11,962,000 St. Paul 434,000,000 13,573,000 SEABOARD 177,000,000 11,221,000

(These figures, while not guaranteed by us, have been obtained from sources we believe to be reliable.)

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Situation Interesting

The preferred and common stocks of Rockwood & Co. (cocoa and chocolate) offer interesting possibilities according to the current bulletin of Strauss Bros., 32 Broadway, New York City. Copies of this bulletin may be had from the firm upon request.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range from Jan. 1, 1939, to date; high-595%, low-1434; May 5 price-59 1/2.

Mohawk & Malone Railway

 $3\frac{1}{2}$ s, 2002

Guaranteed principal and interest by New York Central R. R.

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U. G. I.

Our digest of the plan for the distribution of certain assets to stockholders is available on request.

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The Pennsylvania Turnpike **Commission Revenue Bonds**

Of the many economic dislocations caused thus far by the war, none is more severe than the shrinkage of motor transportation occasioned by the rationing of gasoline, tires and motor vehicles. The curtailment of revenues has been more drastic than was anticipated. In practically every State in the country the reduction in revenues from motor fuel taxes and registration fees is so serious that most States are faced with the necessity

enues from other sources. Comparable reductions in revenues are being experienced by Authorities and Commissions operating publicly owned motor transportation facilities; and the holders of the approximately \$500,000,000 bonds issued to finance such facilities are naturally concerned over the immediate outlook. The picture is confused, and holders have not known whether to sell, to buy, or to sit tight. At the moment it seems as if the great majority seem to be sitting tight. There are surprisingly few of these bonds available and there seems to be an underlying confidence in the post-war volume of motor traffic.

The Pennsylvania Turnpike is outstanding in this unusual situation for several reasons:

1. As the only major toll highway in the country the Turnpike performs a unique transportation service. It is 160 miles long and provides almost level motor transportation through the Alleghany Mountain range across the State of Pennsylvania—a type of service unmatched by any other transportation facility in the country. Predictions that the rationing of motor travel would strike the Turnpike more severely than other traffic facilities have proved

to be unfounded. 2. The Turnpike was opened to traffic only 14 months prior to Pearl Harbor, and it did not have time to create its normal complement of traffic before the war restrictions were imposed. In spite of this handicap, it has succeeded in establishng substantal cash reserves to offset the temporary re-

duction in revenues. 3. The cost of operating the Turnpike is relatively high. With an overall width of 78 feet, the

Turnpike has about 64,000,000 square feet of surface made up of shoulders bordering the concrete roadway. All of this surface rewhich have to be continuously ventilated, lighted, guarded and inspected. This results in a pro-

of obtaining compensatory rev- than that of the average transportation facility.

> 4. The Turnpike Revenue Bonds are not Authority bonds but are special obligations of the Commonwealth of Pennsylvania payable through an instrumentality of the Commonwealth, the Pennsylvania Turnpike Commission, solely from a special fund-namely, the revenues of the Turnpike. This fact may have some significance in the ever-present threat to declare bonds of public authorities taxable.

During its first year of operation the Pennsylvania Turnpike collected about \$3,050,000 in tolls as compared with engineers' estimates of \$2,670,000. During its second year of operation it collected \$2,482,448 against an estimated \$3,204,000. The estimates were based upon continuation of normal peacetime economy. Gross revenues for the calendar year 1942 were 27% below those of tunities occur, it is entirely pos-1941. For January, February and sible ultimate realization will ex-March, 1943, the reductions from the revenues of a year ago were that further distributions on the 33%, 27% and 24%, respectively.

The income from truck traffic during 1942 was \$1,368,730, as compared with \$1,063,193 in 1941. The steady growth of commercial traffic is significant. The Turnpike has more than fulfilled the engineers' expectations of its importance in long-haul trucking. It would appear that the only factor which might retard the steadily. increasing volume of truck traffic repairing and replacing commercial vehicles.

Passenger traffic revenues have, of course, been severely curtailed, but it has climbed from a low of 77% reduction in December, 1942, to a reduction of only 59% in March, 1943.

As of April 1, 1943, the Trustee concrete roadway, planted medial for the Pennsylvania Turnpike strip dividing traffic, and 10-foot Commission had \$1,235,000 in the quires inspection and care. There impossible to forecast future revare over seven miles of tunnels enues, but, according to the present trend, this reserve should be sufficient to offset any net loss portionate cost of maintenance in revenues for a period of from and operation somewhat higher two to three years.

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U. G. I. "Stubs" Active

Dealer interest continues to expand in United Gas Improvement Company Residual Certificates, promptly designated as "Stubs" in the Street.

Traded on a "when issued" basis, each "Stub" represents an undivided interest in all net assets applicable to United Gas Improvement common stock following the presently contemplated distributions of Philadelphia Electric Co. and Public Service Co. of New earnings of most roads are in-

Jersey common stocks. Divest-creasing enormously; indicated ment of these holdings still leaves earnings coverage will amply UGI in possession of a number of service new capitalizations under valuable and income-producing all foreseeable circumstances. operating company equities as Generous income and probably well as other miscellaneous in- appreciation are still abundantly vestments. Allentown-Bethlehem available. Discount bonds are an Gas Co., Harrisburg Gas Co., Consumers Gas Co. (Reading), and Luzerne County Gas & Electric Co. are among the controlled companies whose securities are yet to be sold or distributed.

At a special meeting of UGI stockholders, held on April 19, President William Bodine stated that remaining assets subject to consideration had a then estimated value of approximately \$70,000,000. Since there are 23,252,010 shares of UGI common outstanding, the present break-up value of the "Stubs" would appear to be about \$3. Since subsequent sales of properties will be made only as favorable opporceed this figure. It is anticipated "Stubs" will include dividends from earnings as well as liquidating disbursements from the sale of assets. For the first quarter of 1943 UGI reported consolidated net profit of \$5,004,545, compared with \$4,688,852 in the same 1942 quarter.

Philadelphia traders who toss the Stubs" around in 1,000 to 5,000share lots, lies in the fact that is the difficulty of maintaining, unless appropriate action is taken bilities of \$713,313. Surplus for by the UGI board, the "Stubs" will carry the same "no par value" designation as the present UGI common. Since their ultimate value will never exceed a few dollars a share, the taxes involved in trading a no par value stock seem excessive and unfair to all concerned.

Reorganization Rails Remain Popular

Local dealers' basic faith in the lected reorganization railroad sitby the ICC's ice-water rate action. Facts which remained uppermost in mind: Bonded indebtedness is being scaled down more drastically than in any previous era; Street (E. & O. E.)-Peggy Kurtz,

Divest- creasing enormously; indicated excellent inflation hedge.

Particularly in current favor: St. Louis & Southwestern gen. 5s, 1990. Bonds of this issue, placed by Philadelphia dealers in the last month, would, if laid end to. end, build a "Cotton Belt" spur, from the New York Stock Exchange to Broad and Walnut.

For many years Keystone Telephone Co., local independent, has monopolized the "short wire" service used by Philadelphia brokers and dealers by the simple expedient of providing traders boards at low cost. Now the FCC has certified the acquisition of Keystone by the Bell Telephone Co. of Pennsylvania, the actual consolidation awaiting the purchase of Keystone's physical properties. The financial community glumly anticipates an increase in

During 1942 Warner Company. through the purchase of bonds and other debt and the payment of deferred interest coupons, reports that long-term debt was re-A slight irk to New York and duced by \$1,599,470. At the year end, current assets amounted to \$2,485,638 (of which \$1,125,698 was in cash) against current liathe year, after all charges, was \$961,318, which compares with \$1,102,171 for 1941.

Under the terms of a leasecontract with the Defense Plant Warner Company Corporation. has completed construction of and is now operating a magnesite plant located at Paoli, Pa. During the war its products will consist mainly of pure refractory magnesia used in the manufacture of fire-brick for high temperature Reserve Interest Account. It is favorable factors underlying seimpossible to forecast future revlected reorganization railroad situations was not seriously affected lime, superior in quality to the usual natural limestone.

Add Hatchet Women of Walnut

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J. Davis, and Sarah M. Madley, against \$82,932 in 1941. The com-who handles the desk for William pany is engaged 100% in war Fogarty.

With a simple capitalization of 231,930 shares of common stock and no funded debt, investor interest is well maintained in H. H. Robertson Company common stock. The company is a well established manufacturer of materials used in all types of building construction. Many products have been specially developed and are protected by patents. Well known in the industry are Robertson Protected Metal Roofing and Sidewall Sash, ventilating equipment and cellular steel floor systems. The probability that war experience will accelerate the trend toward pre-fabricated construction is a favorable long-term factor.

Sales hit a new peak in 1942. but higher taxes reduced net income moderately from results obtained in 1941. However, per share earnings of \$3.46 are considered ample to maintain the current dividend rate of \$1.50.

On Thursday, April 29, the Pennsylvania House of Representatives passed a measure exempting manufacturing corporations from the capital stock tax. Under the plan the exemption would become effective Jan. 1, 1945, if the war is over by that time, or the first January after the cessation of hostilities. The measure is designed to encourage business to remain and expand in Pennsylvania in the post-war period.

Philadelphia & Western Railway Company reports first quarter net income of \$24,334.

Net sales of R. F. Sedgley, Inc., in 1942 were almost double the record sales of 1941, annual re-Profits before deducting State and Federal income taxes, but after deducting all other charges,

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work, the details of which are not

Philadelphia bank stocks advanced slightly in the week ended April 30. Aggregate value of 10 stocks was \$175,107,000 and yield 4.87%, against \$174,977,000 and yield of 4.88% for the previous week. The increase in market value was 0.74%.

Cramp Shipbuilding Co. is installing additional facilities at its Philadelphia yard at a cost of \$8,000,000, and this work is well under way, Joseph P. Ripley, Chairman, said in his annual report to stockholders. Payment for this work, which includes a large concrete drydock, is being made currently by the Navy Department, which retains title.

Gross income for 1942 was reported as \$65,042,356, compared with \$12,400,979 in 1941. 1942 net income amounted to \$696,824.

York Ice Machinery Corporation's management and stockholders wearily await the pleasure and convenience of the U.S. Circuit Court of Appeals in affirming or rejecting the company's two-yearold plan of recapitalization and merger. A single dissenting preferred stockholder's appeal was tried before this court on Oct. 19, A previously dissenting group came a cropper before Judge Watson in the U. S. District Court last June. In the seemingly interminable meantime, a nice job of bond refunding lies dormant, issuance of new securities is restricted, stockholders are getting a pushing around, and the company can't even use its new name. Contribution to the war effort, however, remains 100%.

stockholders reveals. Says Stabilization Plan chairman of the Board of Directors Seeks World Prosperity

The assertion by the Treasury's monetary expert credited with developing the American plan for oost-war currency stabilization declared that this country's only interest is to promote general prosperity in which all nations can share was noted in Associated Press advices from Washington, April 28, which quoted Harry D. White, an Assistant to Secretary Morgenthau, as saying:

"We cannot ignore the importance to us of promoting prosperity in other countries as well as our own. We must learn the fundamental truth, that prosperity, like peace, is indivisible.

The Associated Press further said: Mr. White, a former Economics Professor at Harvard, expressed belief in the current issue of the "American Economic Review "that progressive only by co-operative planning reconversion now can the world escape severe of our indusmonetary disturbances in the trial plants post-war era.

"We cannot hope for sound recovery in international economic the instrulife so long as the germs of mone- ments of war tary instability infect a large part to the goods of the world," he said.

"Only an intelligent adjustment while the conof exchange rates to the new in- flict is still in ternational economic position in progress, and the post-war period can provide a the post-war period can provide a "(4) e m-firm foundation on which to build phatic ena high level of world trade and couragement prosperity.

Fleming, Clark Directors of Penn.-Central Airlines

Robert V. Fleming, President and Chairman of the Board of The Riggs National Bank, Washington, D. C., and former president of the American Bankers Association, and Harold B. Clark, senior member of White, Weld and Company, New York investment brokers, have been elected to the Board of Directors of Pennsylvania-Central Airlines Corporation, it was announced after the annual type the people want. Industry meeting of the airline.

must be reconverted with a minimeeting of the airline.

Rambo, Keen, Close & Kerner, including non-recurring expenses of \$36,192, amounted to \$210,410, Philadelphia's Philco Corporation Unit Wins Army-Navy "E"

Reports Quarterly Income Higher

In recognition of its continued war production record, the Chicago Division of Philco Corporation has been awarded the Army-Navy "E" with a white star, according to word received from Robert P. Patterson, Under Secretary of War, by John Ballantyne, recently elected President of the corporation.







Larry E. Gubb

John Ballantyne

Post-War Inflation Can Be Avoided By Rapid

Schram Lists Four Antidotes To Inflation In Speech In

Los Angeles May 3rd

especially in the early post-war months, according to Emil Schram, President of the New York Stock Exchange, who told a luncheon

meeting at the Town Hall in Los Angeles on May 3 that the anti-

curities in American and foreign | mum of delay from the manufac-

(1) generous investment in war bonds now,

The danger of inflation will be greatest in the post-war years,

Reconversion To Peacetime Production

James T. Buckley

elected at the organization meet- per share of common stock, of ing of the Board of Directors of which \$178,000, or 13 cents per Philco Corporation were John share is the post-war refund pro-Ballantyne, President, formerly vided for by the revenue act of Vice-President in charge of 1942, it was announced by John operations; M. W. Heinritz, for-Ballantyne, President. merly general manager of the Storage Battery Division, Vice- last year, the Company had ad-President in charge of the Divi- justed net income of \$595,035, or sion; Charles F. Steinruck Jr., Assistant Secretary, elected Secretary stock, including a post-war refund in place of the late George E. De- of \$100,000, or 7 cents per share. ming. James T. Buckley, previously President of the corporation was elected to the newly-created office of Chairman of the Company's Executive Committee, it the same period last year," Mr.

tion in the first quarter of 1943, completed income and excess profits taxes, Navy.

dotes for inflation are:

enterprise after the war,

of

from the man-

of peace, even

of high pro-

duction in the

early post-

Emphasiz-

ernment securities as well as cor-

porate securities will remain at-

tractive if our system of free en-

"Another self-evident answer to

the threat of inflation is a rapidly

increasing supply of reasonably-

priced consumption goods of the

healthful atmosphere,"

war period."

ing that "Gov-

Schram added:

ufacture

"(2) free absorption of risk se-

(3) immediate steps toward

Officers of the corporation amounted to \$770,890, or 53 cents

In the corresponding quarter 43 cents per share of common

"Sales of Philco Corporation, consisting principally of radio equipment, in the first quarter of 1943 were substantially ahead of was announced by Larry E. Gubb, Balantyne said. "Present indications are that production and sales will increase further in coming Net income of Philco Corpora- months as engineering work is on after estimated Federal and State equipment for the Army and

ture of instruments of war and

destruction to the production of

the useful things demanded by

"Nothing would be more dan-

gerous than a prolonged period of

chronic shortages. It would mean

a buyers' panic, unjustified profit-

margins, an upward wage spiral

always some distance behind a

soaring cost of living, and the worst kind of selfish and anti-

social exploitation of an unwhole-

"It is important, therefore, that

our statesmen, bankers and indus-

normal peacetime civilization.

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pacity of this land is so great that (Continued on page 1677)

trialists lose no time in preparing to reconvert the immense facilities in the factories and mills of America from the production of

some economy of scarcity.

the goods of war to the manufacture of the things people will want and demand when peace once more blesses this troubled world. To fail to take steps leading to a fast-increasing supply of civilian goods, immediately after the urgent needs of the war have been terprise is permitted to operate in met, is to court a type of eco-nomic disaster. It is gratifying that a start has already been made

in this kind of preparation, but much more needs to be done. "Happily, the productive ca-

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Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

On April 28, 1943, stockholders of the New York Trust Company authorized its capital to be increased from \$12,500,000 to \$15,000,000, through the issuance of 100,000 additional shares of \$25 par value. The new shares are offered to present stockholders at \$75 per share; thus, ignoring underwriting costs, \$5,000,000 will be added to the bank's surplus as well as \$2,500,000 to capital.

The effect of this increase in capital funds on the statement of condition of March 31, 1943, is as

| lonows. | Before | After |
|--------------------------|-------------------------|-------------------------|
| Capital | \$12,500,000 | \$15,000,000 |
| SurplusUndivided Profits | 25,000,000 4,786,418 | 30,000,000 4,786,418 |
| | | |

Total Capital Funds \$42,286,418 \$49,786,418 Number of Shares_ Book Value per Share 500,000 \$84.57 \$82.98 It will be noted that the num-

ber of shares outstanding is increased 20%, capital funds approximately 17.7%, and book value is reduced 1.9%. It remains to be seen if operating earnings over the near term can be expanded sufficiently to offset this dilution. In the meantime the market recognized the dilution by dropping the bid, after the stockholders' approval of the plan, from 85 1/4 to 80 3/4 (ex rights). As a matter of fact, the stock has declined since the proposal was first announced approximately 10% compared with a decline of 3.2% for New York City bank stocks as measured by the "American Banker" daily index. Thus, to date, the market does not appear to have viewed the increase in capital with any too much favor.

It is several years since a Wall Street bank has entered the market for new capital, and whether or not New York Trust's move will touch off other banks to take similar action is problematical. Frue, deposits are expanding, the Government's war financing needs are continuing, bank earnings are rising and post-war industry and commerce will doubtless require heavy financial help from the banking system. But, by and large, New York City's banks would appear to have ample capital funds, and even though their deposits have reached unprecedently high levels and the conventional ratio of 10 to 1 has been violated, this by itself is not sufficient justification for additional capital, though it must be taken into consideration. In the case of New York Trust the ratio of deposits to capital funds as indicated by the balance sheet of trary mathematical ratio. In read and the incomes of all other trary mathematical ratio. In read and the incomes of all other trary mathematical ratio. In read and the incomes of all other trary mathematical ratio. the increase in capital funds reduces this to approximately 12.1. But since deposits are rapidly rising and will continue to do so throughout the year, as a result of Government borrowing, the ratio will soon be back to where it was. That the ratio of some banks seems startlingly high is true, as column I of the tabulation below shows; thus perhaps there are instances where the ratio needs strengthening through additional capitalization, even though it is not practicable to do so more

Halsey Stuart Adds Scott

RENO, NEV.—Blaine W. Scott Jr. has been added to the staff of Halsey, Stuart & Co., Inc., members of the Chicago Stock Exchange, whose main office is at 201 South La Salle Street.

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than fractionally by this means. AS OF DECEMBER 31, 1942

| A STATE OF THE PARTY OF THE PAR | | ** | 44 |
|--|------|------|-----|
| New York City | | % | |
| Bank of Manahattan | 19.4 | 74.9 | 4.5 |
| Bank of New York | 17.3 | 85.6 | 2. |
| Bankers Trust | 13.1 | 79.5 | 2. |
| Jentral Hanover B. & T | 15.3 | 86.5 | 2. |
| Chase National | | 80.6 | 3. |
| Chemical Bank & Trust | | 73.8 | 3. |
| Jorn Exchange B. & T | 14.7 | 89.5 | 1. |
| First National | 7.3 | 92.0 | |
| Juaranty Trust | 9.6 | 86.5 | 1. |
| Irving Trust | 8.9 | 87.9 | 1. |
| Manufacturers Trust | 15.3 | 76.8 | 3. |
| National City | | 83.2 | 3. |
| New York Trust | 15.0 | 79.4 | 3. |
| Public National B. & T | 13.1 | 77.8 | 2. |
| Average (New York) | 14.2 | 82.4 | 2. |
| | 1 | II | 11 |
| Other Cities | | % | 10. |
| First National (Boston) | 12.6 | 76.8 | 2.6 |
| National Shawmut (Boston) | | | 2.0 |
| Sammenta Co (Disting) | 40 4 | 22.0 | 2.0 |

National Shawmut (Boston) 10.6 81.5 Pennsylvania Co. (Phila.) 13.1 73.9 Phila. National (Phila.) 14.2 86.7 Zon't. Ill. N. B. & T. (Chic.) 17.0 90.1 First National (Chicago) 20.2 80.9 Nat. City Bank (Cleveland) 19.8 82.2 First National (St. Louis) 16.6 80.5 Bk. of Am. N. T. & S. A. Bk. of Am. N. T. & S. A.
(Cal.) 17.8 63.7
Am. Trust (San Fran.) 17.9 57.0
Security First Nat. (L. A.) 15.4 69.5

Average (Other Cities) __ 15.9 76.6 3.7

*Includes City Bank Farmers' Trust.
I Gross deposits to capital funds.
II Cash and governments: per cent of gross deposits.
III "At risk" deposits to capital funds.

The high ratios of column I are misleading, however, if one or exception, a vigorous price poltries to read into them a danger- icy to the end that the cost of livous expansion of debt in relation ing be rolled back to May 15, 1942, to capital funds, for quality of as- and to the end that equity be resets is of far greater significance established in government policies and importance than is an arbi- applied to the income of workers stantial improvement in banking assets, and a high degree of liguidity has been maintained; for example, 15 leading New York City banks show, as per March 31 statements, 23.0% of total assets in cash and 53.3% in Government securities, or a total of 76.3% in cash and Governments. If these "riskless" assets be balanced against deposits, it will be found that the remaining deposits, which are represented by loans, investments, and other McCandless was employed for a "risk" assets, will be relatively number of years by W. A. Harrismall and that their ratio to capital funds is moderate indeed. In thers Harriman & Company, New the above tabulation the per cent York City. During 1940 and 1941 of gross deposits which are rep- he was a member of the staff of resented by cash and Governments is shown in column II, and mission of the United States. the ratios which the remaining Mr. McCandless will be in the ratios which the remaining deposits bear to capital funds are charge of the purchase and sale of shown in column III.

Prentiss Brown Reveals Program To Hold Down Cost Of Living

Prentiss M. Brown, Federal Price Administrator, in a radio address on April 30, disclosed a program to hold down the cost of

living for wage - earners, including extension of price control to "every important com-modity" and "a rollback of prices out of hand," said a special dispatch to the New York Times from Washing to n, on April 30, which added: Mr. Brown

anno u n c e d that he had Prentiss M. Brown

instructed his staff to put into effect "without delay to the limit of our powers' the following four-point program:

"First, to extend price control across the board to every important commodity.
"Second, to roll back those

prices which have got out of hand. The prices of meat, fresh and canned vegetables, coffee, among others, will be rolled back.

"Third, to establish specific dollars-and-cents prices for foods, so that all may know-sellers and the safest in the world." buyers alike-what the legal price These prices will be printed in small booklets which the housewife can put in her handbag when she goes to market, and will be otherwise displayed.

"Fourth, to bring the chiseler, the racketeer, the black market operator to justice. These parasites feed not only upon the consumer but upon the overwhelming majority of business men, who are eager to abide by the law and our regulations under the law. I pro-pose with your help to enforce these ceiling prices and to exterminate these criminal operators of the illegitimate markets.'

Advices from the same source on April 30 said:

Spokesmen for the American Federation of Labor, the Congress of Industrial Organizations and railroad brotherhoods on the 3.8 April 29, declared that the President's policy of a complete economic stabilization program had not been carried out, and urged President Roosevelt, James F Byrnes, Economic Stabilization Director; Chester C. Davis, Food Administrator, and OPA Administrator Prentiss M. Brown, head of the Office of Price Administration. to "immediately put into effect without qualification, compromise,

John McCandless Joins Mass. Investors Trust

John A. McCandless has resigned as a member of the staff of the National Association of Securities Dealers to become associated as of May 1, with Massa-chusetts Investors Trust, 111 Devonshire Street, Boston, Mass. Mr. man & Company and Brown Brothe Securities and Exchange Com-

securities by the Trust.

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With the successful conclusion of the Second War Loan Drive, we pay tribute to investment company sponsors for their unselfish efforts to promote war bond sales among their own clientele. "Sales points" developed by various sponsors had more real punch than

anything we saw coming out of Washington.

"Interest-bearing cash" was the striking description Lord,
Abbett's Abstracts pinned on War Bonds. "The Government borrows

from a bank at 2% interest—and pays the individual 2.9% when it borrows on a Series E Bond." "It's our turn to 'pass the ammunition,'" wrote the Keystone Corp. in Keynotes, "and the ammunition costs \$250,000,000 a day." Calvin Bullock's Bulletin stated, "Not only do we help win

the war when we purchase United States Treasury Bonds; we also help win the peace." "You lend your money," said Selected American Shares. "The interest and principal of these offerings are

Perhaps most to the point for all who are strongly moved by the profit motive (and that's covering a lot of territory) was Lord, Abbett's Union Dealer. Entitled "\$3 Buys \$4," the bulletin com-mences, "Yes, \$3 buys \$4, or \$75

buys \$100, through Series E War Theme: That's a good Bonds." investment even if Americans weren't being killed every day to protect and save our skins.

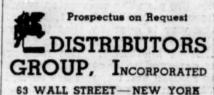
Investment Company Briefs

The transition which has taken place in recent years from stereotyped, moss-bound financial sales literature of the past to presentations that invite reading is evident in two new folders on New York Stocks, Inc. One is entitled: "Industry Selection for Larger Profits," and presents the investment philosophy underlying all 21 Series of New York Stocks, short space of 150 years are again recognized, and America, as we Priority Industry with a Great Peacetime Future," deals specifically with the Agricutural Series.

Incorporated Investors has led the field of general management investment companies in overall performance since the end of 1941. The Parker Corp. affords an interesting glance into some of the investment thinking which will influence the portfolio management of Incorporated Investors during the year ahead. The material consists of a 14-page survey, "An Investor Looks At 1943," published by the research department of E. W. Axe & Co., Inc. Mr. Axe is a vice-president director of Incorporated Investors Group Securities, Inc. and a member of its investment committee. One of the most significant points of his 7-point conclusion is: "The price level of

Low Priced Shares___

A Class of Group Securities, Inc.



'things' is likely to continue to rise, and probably at a greatly accelerated rate after the war

American Business Shares' News Letter reports the following performance for the first quarter of 1943: ABS up 22.7%; Dow-Jones Industrials up 14.3%.

National Securities & Research Corp. indulges in a bit of retrospect on the occasion of that organization's 13th birthday, May 1, 1943. A hopeful note is struck in the conclusion which follows a brief resume of the eventful, tragic years just passed. elements that made America the greatest nation on earth in the short space of 150 years are again

Three new editions of Keystone Corp.'s four-page sales folders have been released. They are: "Medium Grade Bonds," current return 5%; "Income Preferred Stocks," current return 61/2%; current return 6½%; Appreciation Preferred stocks, appreciation possibilities 60%. The figures are Keystone's estimates.

Distributors Group has recently put in the mail three sparkling new sets of sales material on the Steel Shares, Investing Company Shares, and Petroleum Shares of

The April issue of Calvin Bullock's Perspective is devoted to (Continued on page 1673)



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Pa. & Del. Factory Jobs At High Levels

Factory employment in Pennsylvania in March was maintained at approximately the peak level reached in February, while payrolls increased slightly, according to reports to the Federal Reserve Bank of Philadelphia from 2,929 establishments. The number employed exceeded 1,200,000 and the volume of wage payments was estimated at over \$48,000,000 a week. Compared with a year ago, employment increased 5% and wage disbursements 25%. Total

employee hours worked rose earners at reporting factories in somewhat further in the month to a level 12% above March 1942. in March to an average of \$43.16,

The Bank also reported:

"Activity in durable goods lines, as measured by payrolls, rose slightly to a new peak in March, reflecting chiefly further increases in certain war industries. Additional small gains also were reported in the cases of some lighter products, including textiles and foods. Wage payments in heavy industries were 30% greater than a year ago, as against an increase of 13% in non-durable goods lines.

"The weekly income of wage 40% above last year.

earners at reporting factories in Pennsylvania rose slightly further in March to an average of \$43.16, the highest in records back through 1923. Average hourly earnings remained at about the February level of 97 cents. Average working time in March showed a small gain, increasing to 44½ hours a week, the highest reported since June, 1930.

"At reporting Delaware factories employment increased 2% and payrolls 6% from February to March. Increases over a year ago amounted to 32% and 61%, respectively. Total working time rose 3% in the month to a level

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The Company's properties form an interconnected system, located entirely within the State of California. For more than thirty-one years operations have been subject to regulation by the California State Railroad Commission.

The Company operates electric generating plants having an installed capacity of 1,985,676 horsepower and is one of the largest producers and distributors of electricity in the United States. It also ranks among the major distributors of natural

gas in the country. On December 31, 1942, electric customers numbered 985,533, gas customers 723,766, and water and steam customers 12,672.

In the year ended December 31, 1942, 69.1% of operating revenues were derived from sales of electric energy, 29.7% from sales of gas, and 1.2% from minor activities. The well diversified character of the Company's business tends to stabilize earnings and also to permit of economical operation.

SUMMARY OF CONSOLIDATED INCOME STATEMENT

| Gross Revenue, including Miscellaneous Income Operating Expenses, Taxes (except Federal income taxes) and Pro- vision for Depreciation, Insurance, Casualties, Uncollectible Accounts and Pensions | |
|--|--------------------------------------|
| Gross Income Bond and Other Interest, Discount and Other Income Deductions | \$ 48,487,655 11,368,984 |
| Net Income before Provision for Federal Income Tax Provision for Federal Income Tax | \$ 37,118,671 14,851,079 |
| Net Income to Surplus Dividends of Subsidiaries on Capital Stocks held by Public, etc | \$ 22,267,592 1,620 |
| Remainder—Applicable to Pacific Gas and Electric Company Dividends on Preferred Stock | \$ 22,265,972 8,399,508 |
| Remainder—Applicable to Common Stock Number of Full Shares of Common Stock outstanding at end of period Earned per Share of Common Stock | \$ 13,866,464 6,261,274 \$2.21 |

RECORD OF RECENT GROWTH

| Year Ended Dec. 31 | Gross Operating Revenue | Sales of Electricity K. W. H. | Sales of Gas Cubic Feet | Number of Stockholders |
|-----------------------|-------------------------------|-------------------------------------|-------------------------------|---------------------------|
| 1938 | \$101,424,595 | 3,906,866,000 | 62,477,013,000 | 95,985 |
| 1939 | 107,175,353 | 4,409,568,000 | 69,934,787,000 | 95,784 |
| 1940 | 109,980,302 | 4,671,953,000 | 77,283,044,000 | 96,122 |
| 1941 | 115,353,944 | 5,067,026,000 | 89,430,294,000 | 103,898 |
| 1942 | 126,781,614 | 5,758,448,000 | 107,304,089,000 | 104,444 |

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245 Market Street, San Francisco, California

"The Prince"

By HAROLD FLEMING

Public Utility Holding Companies Victims of Fashionable Politics

Professor James Burnham, author of the "Managerial Revolution," which caused so much talk two years ago among people who read books, has come out with another book called "The Machievellians."

This book has some pungent paragraphs about liberty, democracy, and power, which have an interesting bearing on such things as the current disintegration proceedings in

the utility business.

Speaking about power, Burnham says: "The Machievellians are the only ones who have told us the full truth about power . . . (they) present the complete record; the primary object (they say), in practice, of all rulers is to serve their own interest, to maintain their own power and privilege. There are no exceptions. No theory, no promises, no morality, no amount of goodwill, no religion will restrain power. Neither priests nor soldiers, neither labor leaders nor businessmen, neither bureaucrats nor feudal lords will differ from each other in the basic use they will seek to make of power. . . . Only power restrains power. . . ."

It would spare a good many utility executives a good many hours of high blood pressure and indignation over the legal goings on by which the Securities and Exchange Commission is gradually doing them out of jobs if they could absorb this and many other such candid paragraphs in this highly objective book. For they might learn to grasp four essentials in the present chapter of holding-system disinte-

gration. They are:

(1) The sound-track of demagogic argument, legalistic lingo, and political palaver spun by the SEC in the course of its squeeze-out operation is merely opportunistic talk, designed to get the SEC on in the world. If one argument won't do the trick another one is used, or, if useful, both, whether they have any logical consistency or not.

(2) The one and only true goal of all the SEC's welter of words and fanfare of talk about the public interest is the aggrandisement of the power of the Securities and Exchange

Commission.

(3) There is no ulterior purpose beyond this goal of getting power. It is itself the goal. The power is not desired for the purpose of using it in the public interest. The goal is power for power's sake. More power will enable the SEC to reach out for even more power. Practically anybody can see this except an SEC Commissioner or would-be Commissioner.

In this the SEC is no different from any other Government bureau. Its members and employees are, believe it or not, as human as the rest of us, behind those super-solemn faces.

(4) And lastly, nothing will stop the expansion of SEC power except somebody else's power. Good arguments will not do it, whether they are based on sound economics or on a common sense interpretation of what the plain English of the law means, or whether they are based on American traditions, or on the precedents of the law, or on the Constitution. The argument that a war is going on and that the primary goal in the operation of electric power systems ought to be to produce as much power as possible and distribute it as cheaply and efficiently as possible, is a waste of breath. Experience ought to show that. The Securities and Exchange Commission is not in the least impressed, or even interested.

Utility executives are constantly and hopelessly complaining that what the SEC is up to has no visible relation to the law, to common sense, to the Constitution, to the public interest, to the good of consumers, or to the well-being of investors. But this is a waste of breath and printers' ink. The SEC has a mandate from itself to get on in this world, and these considerations are a bother.

For instance, Justin Whiting has pointed out that Section 30 of the law would seem to say in plain English that before the Commission forces the present systems to disintegrate, it should work out a map and plan by which

the future systems can be integrated.

And, in fact, the Commission seems once to have thought as much itself, for it once hired a professor by the name of Fournier to work out such a system. The fact that the professor was as green as campus grass, as red as Harold Laski, and as ignorant of the utility business as Howard Hopson's one-time victims, is unimportant; the important thing is that the Commission once took Section 30 seriously. But it grew wiser fast. Section 30 meant responsibility; what SEC wanted was authority.

Other utility men make other such hopeless objections. The Bond & Share and the Engineers' people are fond of recalling the fact that holding company system rates are lower, according to the Government's own figures, than extreme emergencies. Not all of 1943 thus far, as compared with of 1943, at least 200,000 fewer single system rates, whether you line them up by geographical area, or size, or predominant business in the area, or any

other criterion.

Still other utility men point out that disintegration of the holding systems works a hardship on the investors the Commission is supposed to protect, as it forces the unloading of huge blocs of securities on the market, or would do so if the Commission did not play cat-and-mouse with the companies, first demanding they take the responsibility for disintegration, then giving them further breathing spells, and so on.

Still others point out that it seems foolish to force a company to reorganize its capital structure before it knows whether or which of its underlying companies it can keep. Or they argue that disintegration and Federal regulation are mutually contradictory, since the disintegration of the systems will mean virtually the end of Federal regulation.

All this is quite beside the point. The trouble with the thinking that puts these arguments forward is that it takes the juridical and political double-talk of the SEC seriously. These are not serious considerations for the Commission. The Commission is out for the kill. It is judge, jury and executioner of a death-sentence for utility executives. They must go. To the extent that the law gives the SEC authority for this punitive expedition the Commission feels that the law means what it says. To the extent that the law circumscribes this destructive power, the Commission feels that the law does not mean what it says. And if the law is silent, as on such things as the economic wastes of disintegration, then the Commission can and does simply shrug its shoulders—as in the incident in 1942 when the Engineers' people dared the Commission to argue the matter on economic grounds.

When this writer visited Peking as a cub reporter in the early 'twenties, he repaired to the American Embassy

for some primary explanation of Chinese politics.

Here is what he got: "In the struggle of the provincial tuchuns or military governors, do not look for any underlying principles or morals. If you take seriously their arguments, you will merely be confused. Each is out for his own aggrandisement and nothing else is of importance." (Fortunately that is not true of China today.) And this is the cue to the SEC's utility policy. It is the one cue, in fact, that makes sense.

By any other interpretation the policies of the SEC are

unreasonable.

This thing has to be looked at in larger perspective. The SEC is an agency for making political profit out of capitalizing fashionable political ideas. The keeper of the fashion is the Vice-President. He revealed the party line last November at a celebration of the 25th anniversary of the second Russian Revolution. The first, in March, 1917, was against Czarism; the second—the one being celebrated was against parliamentary government. Said Mr. Wallace in his lead sentence: "We are celebrating a glorious anniversary." That was the speech that raised a question about the value of "bill-of-rights democracy." Fortunately, even in politics, fashions change!

Charges Communists

A warning against subversive forces operating in the West Coast area was issued on April 24 by Dr. John R. Lechner, Executive Borrowings On Life Director of the Americanism Educational League.

The Communist party in Los Angeles is taking advantage of the Of Income Tax Lower war crisis, he asserted, to enlist the support of both workers and both workers and for the Care of Children in War-

"This group has enlisted the support of several prominent citizens on what is called the 'Professional Advisory Council.' doubt whether these people understand they are being made dupes for a Communist program.

Communist pictures were shown on their insurance only in case of

on the way the Soviet Union takes care of its children.

"This was coupled with propa-Dupe Fascism Enemies ganda to induce the American people to adopt the State control of children in America.

Insurance In Advance

prominent citizens, in the belief ers borrowed on their life insurthat they are helping to fight ance in the two weeks before Fascism. He pointed to appeals March 15, the date for payment for party members carried in expensive newspaper advertise- eral income tax, as borrowed in ments and to other propaganda the same period of 1942, accordments and to other probagains methods, such as direct canvasses ing to the Institute of Life Institute and the presence of Communist loans in these two weeks was front members on the executive 48% below the number of such board of one of the "Committees loans in the corresponding weeks of 1942 despite the increase in tax rates and in the number of people paying Federal income tax for the first time. The Institute, under date of April 15, also I pointed out:

"The record, made at a time when substantially increased borrowings were to be expected, "In one of the recent entertain- tends to confirm the fact that life ments conducted to raise money insurance is regarded as one of for the 'Committee for the Care of the more permanent forms of Children in War-Time,' three savings and that people borrow

the loans during the period, of the same period of 1942, remains course, were made to provide cash substantially lower. It adds: for income tax payments.

"There is, however, a clear inpolicyholders to borrow on their first two weeks of March was 27% higher. A year ago there was a

According to the Institute, the

"While the number of those borrowing in the first two weeks of dication that the obligation of March of 1943 was 52% of those meeting income taxes causes some who borrowed in the same two weeks of 1942, for the year thus insurance. As compared with far the number of persons who January and February of this have borrowed is 47%. This conyear, the rate of borrowing in the tinued downward trend in the number of borrowers from life insurance companies, reflects the similar increase, although not so improved financial status of Amerlarge, proportionately, being only ican families at this stage of the war effort.'

over-all trend of borrowing in the first two and a half months cash advances.

applications were received for cash loans on policies by the life insurance companies than a year ago. If the rate of decrease is continued for the balance of the year, this will mean that only about 1,000,000 cash loans will be made on policies in 1943 as compared with more than 2,000,000 in 1942. The Institute points out that these figures embrace only cash advances and do not cover premium loans. It notes, however, that premium loans normally fol-The Institute estimates that in low the same general trend as

PUBLIC SERVICE CORPORATION OF NEW JERSEY

and Subsidiary Companies

Combined Results of Operations

| Departing Revenues | For the Twelve Months Ended December 31— SUBSIDIARY COMPANIES— | | 1942 | | | . 1941 | |
|--|--|----|------------------|---------------|----|------------|---------------|
| Case | Operating Revenues: | | 00 151 050 | | _ | 00 100 010 | |
| Servet Transportation Operations | | \$ | | | \$ | | |
| Petry Operations | | | | | | | |
| Operating Expenses | | | | A10E 202 120 | | | 4151 150 024 |
| Operating Expenses | | - | 691,826 | \$167,393,136 | | 996,219 | \$151,158,934 |
| Maintenance | | | | | | | |
| Maintenance | Operating Expenses | \$ | 66,091,728 | | 8 | 56,446.763 | |
| Depreciation and Retirement Expenses | Maintenance | | | | | 11,919,751 | |
| Pederal Income Taxes | | | | | | | |
| Pederal Income Taxes | Total | | 01 964 609 | | | 90 696 674 | |
| Pederal Kreess Profils Taxes | 10/01 | | 91,004,092 | | | 00,000,014 | |
| Other Taxes | Federal Income Taxes | \$ | 14,155,548 | | 8 | 11,338,399 | |
| Total Taxes | Federal Excess Profits Taxes | | 9,184,887 | | | 4,425,203 | |
| Total Operating Revenue Deductions | Other Taxes. | | 19,195,826 | | | 18,638,958 | |
| Total Operating Revenue Deductions | Total Tower | - | 49 596 961 | | | 24 402 560 | |
| Operating Income | Total lasts | 9 | 42,330,201 | | ٠. | 34,402,300 | |
| Other Revenue Deductions: \$ 64,504 \$ 246,827 Expenses \$ 837 \$ 973 Pederal Income Taxes \$ 19,481 \$ 19,481 Pederal Excess Profits Taxes 4,762 16,302 Other Taxes 4,762 16,302 Total Other Income \$ 5,599 \$ 30,582 Total Other Income \$ 33,081,068 \$ 36,278,001 Coross Income \$ 8,571,13 \$ 8,077,668 Gross Income \$ 8,267,113 \$ 8,077,668 Deductions: Interest on Long-Term Debt. \$ 8,267,113 \$ 8,077,668 Title observice and Special Ameritization. \$ 30,085,633 \$ 23,271,530 Dividends paid to the public: \$ 1,112 \$ 1,112 \$ 1,112 Public Service Electric and Gas Company: \$ 1,112 \$ 1,500,000 \$ 1,500,000 Common Stock \$ 1,500,000 \$ 1,500,000 \$ 20,000 Common Stock \$ 1,500,000 \$ 1,500,000 \$ 23,767,008 VUBLIC SERVICE Corporation of New Jersey \$ 1,501,128 \$ 23,767,008 VUBLIC SERVICE Corporation of New Jersey \$ 454,607 </td <td>Total Operating Revenue Deductions</td> <td></td> <td></td> <td>134,400,953</td> <td></td> <td></td> <td>115,089,234</td> | Total Operating Revenue Deductions | | | 134,400,953 | | | 115,089,234 |
| Other Revenue Deductions: \$ 64,504 \$ 246,827 Expenses \$ 837 \$ 973 Pederal Income Taxes \$ 19,481 \$ 19,481 Pederal Excess Profits Taxes 4,762 16,302 Other Taxes 4,762 16,302 Total Other Income \$ 5,599 \$ 30,582 Total Other Income \$ 33,081,068 \$ 36,278,001 Coross Income \$ 8,571,13 \$ 8,077,668 Gross Income \$ 8,267,113 \$ 8,077,668 Deductions: Interest on Long-Term Debt. \$ 8,267,113 \$ 8,077,668 Title observice and Special Ameritization. \$ 30,085,633 \$ 23,271,530 Dividends paid to the public: \$ 1,112 \$ 1,112 \$ 1,112 Public Service Electric and Gas Company: \$ 1,112 \$ 1,500,000 \$ 1,500,000 Common Stock \$ 1,500,000 \$ 1,500,000 \$ 20,000 Common Stock \$ 1,500,000 \$ 1,500,000 \$ 23,767,008 VUBLIC SERVICE Corporation of New Jersey \$ 1,501,128 \$ 23,767,008 VUBLIC SERVICE Corporation of New Jersey \$ 454,607 </td <td>Operating Income</td> <td></td> <td></td> <td>6 22 002 192</td> <td></td> <td></td> <td>\$ 36 069 700</td> | Operating Income | | | 6 22 002 192 | | | \$ 36 069 700 |
| Dividends paid to the public Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Taxes of Public Service Corporation of New Jersey Stages and Dividends on Common Stock of Public Service Corporation of New Jersey Stages and Dividends on Preferred Stocks of Public Service Corporation of New Jersey Stages and Dividends on Common Stock of Public Service Corporation of New Jersey Stages and Dividends on Preferred Stocks of Public Service Corporation of New Jersey Stages and Dividends on Common Stock of Public Service Corporation of New Jersey Stages and Dividends on Preferred Stock Stages and Dividends on Preferred S | | | | \$ 32,992,103 | | | \$ 30,008,700 |
| Expenses | Other Revenue | \$ | 64,504 | | \$ | 246,827 | |
| Repense | Other Pavanue Deductions: | | | | | | 1 |
| Pederal Excess Profits Taxes | Expenses | | 837 | | | 972 | |
| Pederal Excess Profits Taxes | mapetioto | | 637 | | | 873 | |
| Other Taxes. 4,762 16,202 | | 8 | MI 100 100 100 1 | | 8 | 19,481 | |
| Total Taxes | | | Mar. 100, 100 | | | | |
| Total Other Revenue Deductions | Other Taxes | | 4,762 | | | 16,202 | |
| Total Other Revenue Deductions | Total Taxes | | 4 762 | | 2 | 37 553 | |
| Total Other Income | | - | 4,102 | | | 31,003 | |
| Total Other Income | | | | | \$ | 38,526 | |
| Deductions: | Total Other Income | , | | 58.905 | | (- t | 208.301 |
| Deductions: Income Deductions: Interest on Long-Term Debt. Section 2,000.00 Appropriations for Reserve and Special Amortization. Section 2,100.00 12,185,455 2,100.000 11,006,471 20,000 10,000,471 20,000 10,000,471 20,000 20,0 | | | | | | | • |
| Income Deductions: Interest on Long-Term Debt | Gross Income | | | \$ 33,051,088 | | | \$ 36,278,001 |
| Interest on Long-Term Debt. | Deductions: | | | | | | |
| Interest on Long-Term Debt. | Income Deductions: | | | | | | |
| Appropriations for Reserve and Special Amortization 3,100,000 12,185,455 2,100,000 1,006,471 | | \$ | 8,267,113 | | \$ | 8,077,668 | |
| Dividends paid to the public Public Service Electric and Gas Company: 7% Cumulative Preferred Stock 1,113 1,500,000 1,000,000 | Amortization of Discount and Miscellaneous Deductions | | 818,342 | | | 828,803 | |
| Dividends paid to the public Public Service Electric and Gas Company: 7% Cumulative Preferred Stock 1,113 1,500,000 | Appropriations for Reserve and Special Amortization | | 3,100,000 | 12,185,455 | | 2,100,000 | 11,006,471 |
| Dividends paid to the public: Public Service Electric and Gas Company: 7 % Cumulative Preferred Stock. 1,500,000 1,500,000 Common Stock. 1,500,000 1,500,000 L 1,500,000 Common Stock. 1,500,000 L 1,500,000 L 1,500,000 L 1,500,000 Common Stock. 1,500,000 L 1,500,128 2,791 1,503,922 Balance applicable to securities owned by Public Service Corporation of New Jersey. \$19,364,505 \$23,767,608 PUBLIC SERVICE CORPORATION OF NEW JERSEY AND SUBSIDIARY COMPANIES CONSOLIDATED— Revenues of Public Service Corporation of New Jersey. \$6,391 169,454 \$19,420,896 \$23,937,062 Expenses and Taxes of Public Service Corporation of New Jersey. \$454,667 \$461,291 1,200 \$20,000 1,200 \$1,000 \$1 | | - | | | | | |
| Public Service Electric and Gas Company: 7% Cumulative Preferred Stock. 1,500,000 Common Stock 15 1,500,000 Common Stock 15 1,500,000 L,500,000 Common Stock 15 1,501,128 2,791 1,503,922 Balance applicable to securities owned by Public Service Corporation of New Jersey AND SUBSIDIARY COMPANIES CONSOLIDATED— Revenues of Public Service Corporation of New Jersey 56,391 169,454 \$ 19,420,896 \$ 23,937,062 Expenses and Taxes of Public Service Corporation of New Jersey 545,667 \$ 461,291 Depreciation 1,200 Total \$ 455,867 \$ 462,491 Federal Income Taxes \$ 1,066,023 \$ 1,030,283 Federal Excess Profits Taxes 242,518 284,879 Total Taxes 242,518 284,879 Total Taxes 5 Public Service Corporation of New Jersey 1,777,653 Foreign Expenses and Taxes of Public Service Corporation of New Jersey 242,518 Total Taxes 5 Public Service Corporation of New Jersey 5 1,7656,488 \$ 22,159,409 Income Deductions of Public Service Corporation of New Jersey 5 1,7656,488 \$ 22,159,409 Income Deductions of Public Service Corporation of New Jersey 9,850,936 9,850,936 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 5,828,033 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | \$ 20,865,633 | | | \$ 25,271,530 |
| 7% Cumulative Preferred Stock. 1,113 \$ 1,113 \$ 5. 1,113 \$ 5. Cumulative Preferred Stock. 1,500,000 Common Stock 1,500,000 Common Stock 1,500,000 1 1,500,000 Common Stock | | | | | | | |
| ## St. Cumulative Preferred Stock | | | 1 110 | | | 1 110 | |
| Common Stock 15 | | 9 | | | 9 | | |
| Lessor Companies | | | | | | | |
| Balance applicable to securities owned by Public Service Corporation of New Jersey \$ 19,364,505 \$ 23,767,608 | | | 15 | 1 501 190 | | | 1 502 000 |
| Corporation of New Jersey | Dessor Companies | | | 1,501,126 | | 2,791 | 1,503,922 |
| Public Service Corporation of New Jersey | Balance applicable to securities owned by Public Service | | | | 4 | | |
| SUBSIDIARY COMPANIES CONSOLIDATED— Revenues of Public Service Corporation of New Jersey 56,391 169,454 \$19,420,896 \$23,937,062 | Corporation of New Jersey | | | \$ 19,364,505 | | | \$ 23,767,608 |
| SUBSIDIARY COMPANIES CONSOLIDATED— Revenues of Public Service Corporation of New Jersey 56,391 169,454 \$ 19,420,896 \$ 23,937,062 Expenses and Taxes of Public Service Corporation of New Jersey: | TIDI IC CEDUICE CODDODATION OF NEW JEDGEV AND | | | | | | |
| Revenues of Public Service Corporation of New Jersey 56,391 169,454 | | | | | | | |
| Expenses and Taxes of Public Service Corporation of New Jersey: Expenses | SUBSIDIARY COMPANIES CONSULIDATED— | | | | | | |
| Expenses and Taxes of Public Service Corporation of New Jersey: Expenses | Revenues of Public Service Corporation of New Jersey | | | 56,391 | | | 169,454 |
| Expenses and Taxes of Public Service Corporation of New Jersey: Expenses | | | | A 10 100 000 | | | ± 02 022 000 |
| Expenses \$ 454,667 \$ 461,291 1,200 1,200 1,200 | | | | \$ 19,420,896 | | | \$ 23,937,062 |
| Depreciation | Expenses and Taxes of Public Service Corporation of New Jersey: | | | | | | |
| Total | Expenses | \$ | 454,667 | | \$ | 461,291 | |
| Total | Depreciation | | 1,200 | | | 1,200 | |
| Federal Income Taxes \$ 1,066,023 \$ 1,030,283 | | | | | | | |
| Federal Income Taxes \$ 1,066,023 \$ 1,030,283 | Total | \$ | 455,867 | | \$ | 462,491 | |
| Federal Income Taxes \$ 1,066,023 \$ 1,030,283 | | | | | | | |
| Federal Excess Profits Taxes Other Taxes Other Taxes Total Taxes Total Taxes Total Expenses and Taxes of Public Service Corporation of New Jersey Income Deductions of Public Service Corporation of New Jersey Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public Dividends on Preferred Stocks of Public Service Corporation of New Jersey Possible Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Jersey Solution Stock of Public Service Corporation of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corporation Stock Of New Solution Stock Of Public Service Corp | Federal Income Taxes | \$ | 1,066,023 | | \$ | 1,030,283 | |
| Other Taxes. 242,518 284,879 Total Taxes. \$ 1,308,541 \$ 1,315,162 Total Expenses and Taxes of Public Service Corporation of New Jersey. 1,764,408 1,777,653 Income Deductions of Public Service Corporation of New Jersey. \$ 17,656,488 \$ 22,159,409 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public. \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey. 9,850,936 9,850,936 Dividends on Common Stock of Public Service Corporation of New Jersey. \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey. \$ 5,228,033 10,731,226 | Federal Excess Profits Taxes | | | | | | |
| Total Taxes \$ 1,308,541 \$ 1,315,162 Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,4408 1,777,653 Income Deductions of Public Service Corporation of New Jersey 1,109,009 1,097,026 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,448 1,777,653 ***Total Expenses and Taxes of Public Service Corporation of New Jersey 1,765,447,479 1,777,653 | | | 242,518 | | | 284,879 | |
| Total Expenses and Taxes of Public Service Corporation of New Jersey 1,764,408 1,777,653 \$ 17,656,488 \$ 22,159,409 Income Deductions of Public Service Corporation of New Jersey 1,109,009 1,097,026 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | | | | |
| New Jersey 1,764,408 1,777,653 \$ 17,656,488 \$ 22,159,409 Income Deductions of Public Service Corporation of New Jersey 1,109,009 1,097,026 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | Total Taxes | \$ | 1,308,541 | | \$ | 1,315,162 | 4 1 |
| New Jersey 1,764,408 1,777,653 \$ 17,656,488 \$ 22,159,409 Income Deductions of Public Service Corporation of New Jersey 1,109,009 1,097,026 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | | - | | |
| Income Deductions of Public Service Corporation of New Jersey 1,109,009 1,097,026 Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | 1 754 400 | | | 1 777 653 |
| Income Deductions of Public Service Corporation of New Jersey | New Jersey | | | 1,704,408 | | | 1,111,003 |
| Income Deductions of Public Service Corporation of New Jersey | | | | £ 17.656.400 | | | 22 159 400 |
| Consolidated Net Income after deduction of dividends on capital stocks of subsidiary companies held by the public. S 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | Toronia Daductions of Bubble Coming Comments of New Years | | | | | | |
| capital stocks of subsidiary companies held by the public. \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | Income Deductions of Public Service Corporation of New Jersey | | | 1,105,005 | | | 2,051,020 |
| capital stocks of subsidiary companies held by the public. \$ 16,547,479 \$ 21,062,383 Dividends on Preferred Stocks of Public Service Corporation of New 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New 5,228,033 10,731,226 | Consolidated Net Income after deduction of dividends on | | | | | | |
| Dividends on Preferred Stocks of Public Service Corporation of New Jersey 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | \$ 16,547,479 | | | \$ 21,062,383 |
| Jersey 9,850,936 9,850,936 9,850,936 * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New 5,228,033 10,731,226 | Dividends on Preferred Cisals of Public Comics Commention of War | | | | | | |
| * \$ 6,696,543 \$ 11,211,447 Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | 9,850,936 | | | 9,850,936 |
| Dividends on Common Stock of Public Service Corporation of New 5,228,033 10,731,226 | | | | | | | - |
| Dividends on Common Stock of Public Service Corporation of New Jersey 5,228,033 10,731,226 | | | | \$ 6,696,543 | | 1 | 11,211,447 |
| Jersey | | | | | | | |
| Balance transferred to Consolidated Surplus \$ 1,468,510 \$ 480,221 | Dividends on Common Stock of Public Service Corporation of New | | | | | | |
| Balance transferred to Consolidated Surplus \$ 1,468,510 \$ 480,221 | | | | 5,228,033 | | | 10,731,226 |
| | Jersey | | | | | | |

*Federal Excess Profits Taxes amounted to \$10,205,430. This amount has been reduced by credits amounting to \$1,020,543, consisting of debt retirement credits of \$863,682, and post-war refunds of \$156,861.

Problems of National Price Control

(Lecture by Q. Forrest Walker, Economist, R. H. Macy & Co., Inc., at the Delehanty Institute, Division of Advanced Study, the latter part of last month)

Modern wars are essentially battles of production. Victory depends not alone on able field direction and use of men and material, but also upon an increasing flow of superior equipment and supplies to permit heavier and more devastating blows on land and sea and in the air. To win the battle of production, we have converted large sectors of our peacetime facilities; and we have made enormous ad-

ditions to our plant capacity. An increasing proportion of the entire civilian use shrinks as war pronational output of goods and ser- duction rises. The supply of purvices goes directly into the war chasing power rises rapidly when effort; and the amount avail- the supply of goods on which it able for civilian uses is constantly may be expended declines shrinking.

More War Production, More Wages and Profits

To pay for this production, we never before



Q. Forrest Walker

similar uses. clothing,

etc.

war production demands greater expenditures; and the flood of income rises. We recapture part of the income by heavy taxes on individuals and corporations; but this is only a temporary recapture because the tax money is immedi- effectively in a country as large necessary to borrow new billions.

Imperative Need for Price Control

The relative proportion of the

sharply. If such a situation is left uncontrolled, the cost of living soars. Then wages must advance again; and the cost of both war and civilian production rises. pour out public funds on a scale This leads, in turn, to more taxes and more borrowing to finance contemplated. the war. For these reasons every warring nation has found it necessary to exercise stringent control over the prices of goods and

Examination of Price Control Principles and Practices

We shall attempt here to formulate some of the principles that underlie sound methods of control, to examine defects and war worker weaknesses in present methods, incomes are and to suggest some possible imexpended for provements in current price conmore and trol techniques. It was not withbetter food, out some hesitation that such a plan was decided upon, because the businessman is ordinarily susamusement, pect when he discusses price Greater control, and he often has cause later to regret any venture into price control philosophy.

Price Control Without Coercion

only be obtained by simple sys- price structure necessary to sustems, administered in the demo- tain the production and flow of cratic American way. Where so goods. much depends upon the cooperation of producers, distributors and The Need for Historical Approach consumers, it is most important that the price control official be fully aware of the need for tact, consideration and judgment. The American businessman does not like to be pushed around nor treated in a pompous, patronizing way by his public servants. The be neglected if serious dislocation most perfect plan of control will and disturbance of production not work if the administration does not inspire confidence. Thus, the first requisite for effective price control is administration that is neither arrogant nor meek; that seeks helpful suggestions: and that knows how to secure cooperation by courteous, efficient and equitable treatment of large as well as small businessmen.

Price Control That Sustains Production and Distribution

It is axiomatic that workable price control systems must be based on sound knowledge of the functions of prices. It is possible to administer prices so as to choke off needed production; or to foster wholly abnormal demand for substitute goods. The great economic art is to set up such controls that prices can perform a large part of their normal functions of encouraging production and distribution of needed goods. The fixed price must permit the reasonably efficient manufacturer or merchant an adequate profit if goods to be produced and distributed.

If controls are too rigid, and it they are not based on close study the esoteric precincts of official of costs and margins, the usual result is to shunt demand for goods into other channels. Lowpriced goods tend to disappear To control millions of prices when the control ignores profit margins. In Germany, England ately paid out and we find it and as populous as the United and other countries under price States is an extremely difficult control there is almost universal task. It cannot be accomplished complaint that the controls are so by compulsion, intimidation, or severe that low-priced goods canhigh-handed methods. It cannot not be profitably manufactured be achieved by unreasonable and and distributed. A second requinational production available for highly complicated forms of con-site, then, of intelligent price con-

to Price Control

The more closely price controls tollow the customary methods of costing and pricing in a given trade, the greater the likelihood of successful application. historical price approach cannot and distribution is to be avoided. For many commodities in many trades the price mechanism is just as delicate machinery as interest rates in the money market. When highly arbitrary controls are imposed that run counter to the historical experience of a trade, the businessman is confronted with the question of obeying a stupid regulation or committing business suicide. These difficulties do not always seem very important to the distant government controller whose pay check is not interrupted; but they are vital and immediate problems for the businessman. The inter-relationships of prices are so complex and so important that we may properly say that a third requisite of intelligent price control is a scrupulous regard for the historical pattern of price structures.

Need for Simple and Intelligent Price Controls

A fourth requisite of sound price control is simplicity. When orders are drawn in cumbersome legal language, they are not understood and non-observance is widespread. The businessman who can afford to hire lawyers to interpret and translate the orders business language finds that only a handful of his trade is paying any attention to the controls. Simplicity is not solely a matter of clarity of exposition. An official order may be clearly written but still may be too cumbersome for practical application without substantial expense for accounting and control. Price controllers seldom have adequate knowledge of the nature of records that businessmen maintain; and the more inexperienced the controller, the greater the accounting miracles he expects a business to produce. Sometimes price orders may be too simple because they have been drawn solely from the adminiscrative point of view and enforcement would cause irreparable damage to business.

Price Controls and Use of Averages

Knowledge of the proper use and limitations of averages is a fifth requisite of intelligent price control. By its very nature, or definition, an average does not reveal the variations from which it is derived. For instance, average mark-on in a department store business is computed by subtracting total merchandise costs from total retail sales and expressing the difference as a percentage of retail sales. When this average is broken down into its parts it represents a new orders. widely varying costs and selling When average retail prices. mark-on is invoked as an instrument of price control, it automatically eliminates the amounts earned at the higher mark-ons; and while it provides some incentive to raise the lower markons, in practice that result can seldom be achieved because of the inertia of trade custom. Many items are sold at low markons because the rapidity of turnover permits the practice; and other items can be stocked only if they can be sold with mark-ons

Reasonable success can trol is adequate knowledge of the practical measure for the pricing of individual items.

Dangers of Average Mark-on Controls

The average fixed mark-on ignores the wide differences in the character of services rendered by different merchants, the wide variations in their individual operating expenses, differences in location, differences in managerial ability, and a multitude of other causes of mark-on variation. In all types of business where final net profits are small percentages of net sales, the elimination of the mark-ons above the established control are likely to make drastic inroads on profits. In many cases the elimination may mean the difference between a final profit or loss. Only in very exceptional cases does average mark-on have any proper use as an instrument of price control. Those cases are limited to commodities where the deviation from average is slight, and of no vital consequence in the profit showing of a business.

The Classification Price Control Menace

Another phase of the possible dangerous misapplication of the average principle is the use of classification of business by size of sales and the imposition of fixed mark-ons graded according to sale volume. Classifications give no recognition to the wide dispersion of mark-ons within and between each classification group. Like the average markon, they likewise can give no proper weight to enormous differences in the composition of the sellers' businesses. Because of the composition of its stock and sales, a small business may sometimes equire a smaller margin than :a large business; and the reverse may also be true. The use of such methods stems in part from textbook discussions of marketing problems, and it has scant application to any truly equitable or practical plan of price control. It can do great harm to particular businesses; or it may permit wholly inordinate profit to other businesses.

Flexibility in Price Control .

A sixth requisite of intelligent price control is reasonable flexi-The processes of appeal must be reasonably simple; and decisions to grant or to deny relief must be given without intolerable delays. Patent defects in orders must be promptly corrected without inordinate expense such as committee trips to the central authority, the filing of statistical and legal briefs, and all the enormous impedimenta of bureaucratic check and double-check. Delays in correction are extremely costly to business, and they encourage disrespect for orders. Orders that cannot be modified promptly to meet changing economic conditions are not likely to command broad trade observance.

More Light-Less Heat

A seventh requisite is proper machinery for the distribution of new orders. The businessman large number of items with cannot ordinarily depend upon newspaper and radio reports for determination of the new requirements imposed upon him. He must be given sufficient time to digest the meaning of an order and to adjust his prices before it becomes effective.

Price Control Without Public Purpose Futile

An eighth requisite is frank recognition that price control is not an end in itself. In other words, if the elements of cost are allowed to advance with little or no restraint, the lid is blown right commensurate with their rates off any control at the retail or of turnover. However useful prior levels. We cannot put one average mark-on may be to the part of the economy in a straitdepartment store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator as a Jacket and leave the other part department store operator and leave the other partment store operator and leave the operator operator and leave the other partment store operator operator operator operato guide in business administration, ignores the need for living profits, t is not and never has been a it cannot be enforced. If it is so

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U. S. TREASURY DEPARTMENT The Commercial and Financial Chronicle attempts to regulate the prices of goods and services that are of ineconomic life of the country.

Dangers in Foreign Price Control

precedents of British, German and other foreign controls are not and food products about 12% necessarily directly applicable to the American problem. They sometimes furnish partial guidance; but they are far from the answer to the price controller's prayer. It is one thing to upon the Office of Price Admincontrol prices in an area in daily istration. Mr. Leon Henderson peril of bombing and dependent made many vehement protests it is quite another thing to con- and not until October, 1942, was trol prices in an area naturally rich in resources and free from direction. immediate war perils. The State of Texas alone is nearly as large as the combined areas of England and Germany. The system that will work in an area of 88,745 square miles such as England does May, 1942. not necessarily work in an area of control raw 2,973,774 square miles such as the agricultural commodities, United States. Differences in racial composition, in climatic mutton and lamb, dried prunes, conditions, in consumption habits, and in amenability to governmental control are tikewise of great importance. Technical advisers not highly trained in American democratic procedures may make grave errors in judging the practicality of controls borrowed from other countries

Price Control

Such are some of the principles a running appraisal of some of the failures of American price

Initial Price Control Partly Successful

that now blankets the American under this order. have toiled to set up the sprawling framework of economic, political and social compromises the Administrator is required to that represent our price control consult with trade groups as far system deserve more credit than as may be practicable before he they will ever receive. Perhaps, issues a price order. Before the at times, their zeal may have outrun their judgment; and perhaps tion was issued, an extremely there is not always deep con-sciousness that price control is a representing a substantial part of public trust to be administered in the nation's retail trade were the American way. Nevertheless, asked to consult and advise with the fact remains that over the the framers of the order. Prac-Administration has had substantive control for a considerable sideration of adjustment for the period, price advances have been "lag" between wholesale and re-Despite all tail moderate in amount. fumbling for techniques, the con-adoption of the traditional trade fusion of authority and the laby- percentage mark-ons, for restricrinth of orders, the public respect tion of price control to essential for the need of price control is items and similar matters. In impressive. But the real test lies practical effect, the best brains ahead when low-cost stocks are of the retail industry were treated exhausted; when heavier busi- like kindergarten pupils in a price ness expenses are no longer car- control nursery where overnight ried by rising volume; and when the existing system must bend or the most difficult of wartime eco-

Let's Look at the Record

Prior to February, 1942, selective price control was applied to metals and certain industrial ma-

crudely devised that its enforce- iveness of price control indicates is not to seek guidance from the able modification. Obviously, such pricing were to be preserved. But ment eliminates large numbers of that most of the rise in commodity experienced men of industry and small businesses and creates fi- prices since August, 1939, ocnancial havor for large businesses, curred prior to February, 1942. merely to be listened to with the whole economic structure of Between August, 1939, and Februthe country is undermined. The ary, 1942, the Bureau of Labor control of prices is similar to the Statistics index of wholesale comcontrol of dynamite. If the conmodity prices advanced from 75 and frequently the formal order trol is wisely directed, great good to 96.7, or about 29%. Since is already in the printer's hands. may be accomplished; if it is carelessly handled, there can be serious economic disaster. No public interest is served by elaborate period the index advanced about nine-tenths of 1% per month; and tures toward the democratic procin the period since February, 1942, consequential significance to the the advance has been at the rate of one-half of 1% per month. In the earlier period farm products backwash of trade anger and pro- morrow. Congress stipulated that and foods rose more rapidly than Perhaps a ninth requisite is a manufactured products, and in the later period manufactured clear understanding that the products advanced only 1.5% precedents of British, German and while farm products rose 18%

The reasons for the failure to impose price controls on farm products need not be detailed here. It will suffice to say that the responsibility does not rest upon water-borne supplies, and about rising food and wage costs, there any progress in this

General "Max" and Food Price Control

The General Maximum Price Regulation became effective in It exempted from and unprocessed and poultry, most milk products, aried edible beans, live stock, and some other food items. About 34% of the wholesale foods were brought under control; and retail ceilings were imposed upon most processed foods. This created extremely difficult problems for food distributors. They were frozen in on March ceilings while basic costs remained largely free A Rapid Appraisal of American from control. Despite vigorous protests the Office of Price Administration brushed aside pleas of governmental price control. for compensation of the "lag" be-The list is not complete; but per- tween basic costs and wholesale haps it may serve as a basis for and retail prices; and promised relief if it were later needed. the accomplishments and some of After long delay it was forced into a complicated system of "permitted increases" for a wide range of processed foods. No small part of the dislocations and troubles in the processed foods industries It is not difficult to criticize the can be attributed directly to the hasty patchwork of price control treatment accorded these products

Sham "Trade Consultations"

Under the price control statute. where the Office of Price tically no attention was paid to more economic burlesque, the approach to price control, for "experts" had assumed to solve nomic problems.

Price Control By Blunder Techniques

FOP VICTORY

BUY

WAR

This attitude toward the busiterials by virtue of executive nessman still persists. There have The Emergency Price been many subsequent "statutory Control Act of 1942 did not be- conferences," but few of the trade come effective until February, experts who attend them have 1942; and in May, 1942, General any delusions about their purpose. Maximum Price Regulation No. 1 They know that these conferences was promulgated. The most re-cent official study of the effect-cratic precess, that the real aim

trade, that their suggestions are tem is laregly a sham because the decisions have already been made The obvious technique is to make business laws without bona fide prior consultation with trade authorities, to engage in obtuse gesess, to issue orders that cannot represent profound, informed contest to force intelligent and work-

mine business confidences, and to impede effective price control.

Price Control By Bureaucratic Caprice

Congress in Section 2(h) of the 1942 to make clear that the grant of price control powers was not mandate to a new Federal and distribution structure of the sideration and to depend upon the of some planner of the world tocustomary methods of costing and

tactics have done much to under- no fair-minded student of the vast array of pricing orders disgorged by this agency in thousands of pages of the Federal Register can fail to be impressed by the bureaucratic abandon with which It was the apparent intent of customary methods have been discarded, hacked apart and gen-Emergency Price Control Act of erally vitiated to serve various theories of price control. fancy More than a score of pricing methods, mostly wholly alien to agency to remake the production customary practice, have been set up; and moreover, they have been country according to the dream embellished with statistical frills of doubtful practical value. The basic requisite that a sound sys-(Continued on page 1671)



ROLL

"Close ranks! Roll 'em up!" ... that's the order of the day if we are to keep our gas and electric production lines rolling so our boys can "keep 'em flying."

Nearly every day, along with many other American industries, we find new gaps in our company ranks caused by people leaving to join our armed forces or some other branches of government service. War knows no distinction but reaches into executive, commercial and production departments alike.

But when the gaps are left they are promptly closed up as our remaining workers . . . "soldiers of the production line" . . . step in, roll up their sleeves, and do their part to keep things moving as efficiently as possible.

True, certain services must be curtailed . . . deliveries of merchandise made on regular trips, service calls and meter connections scheduled and possibly meters read less often . . . but despite long hard days public utility employees still "serve with a smile."

The gas and electric industry has always been fraught with problems...the summer hurricane or the winter's icy wrath...and now as then under the stress of war the slogan is "Close up ranks and roll 'em up!" for victory both over our problems and our Nation's enemies.

Long Island Lighting Company

Queens Borough Gas & Electric Company Nassau & Suffolk Lighting Company

Kings County Lighting Company Long Beach Gas Company, Inc.

Parkinson Urges Congressional Control Of Revenue And Appropriation Of Public Funds

Declares Treasury Could Then Give Attention To Government Financing Operations

In view of the difficulties which Congress has been facing in drawing up and considering wartime tax legislation, what this country needs is a Department of National Revenue which would combine in one set-up the Bureau of Internal Revenue and other revenue agencies of the Treasury Department, according to Thomas I. Parkinson, President of the Equitable Life Assurance Society, who advocated

this move in an address pre- sented at a meeting of the New Government and the fiscal pol-York City Control of the Controllers Institute of America, held

last Friday in the Hotel New Yorker.

Declaring that "anyone at all familiar with the muddling which has gone on between the Treasury and Congress on this subject of taxation knows that there is room for improvement. Mr. Parkinson went on to say. "If rep-



T. I. Parkinson

resentative government is to be strengthened or even preserved, Congress will have to increase the agencies under its immediate control from which it can obtain factual and technical assistance. Several years ago, moving in this direction, Congress created a legislative drafting service which now furnishes Congressional committees with expert legal assistance in drafting enactments. In addition to this service, Congress should promptly reassert its con-trol over the Federal Budget Bureau and the General Accounting Office. When these agencies were created, 20 years ago, they were intended to operate under effective Congressional control, but they are far from that to-

"The furnishing of information essential to wise legislative control," Mr. Parkinson continued, 'has been part of the function of the executive departments of the Government, but it is unfortunately a fact that for several years the executive departments have furnished such information grudgingly, or in a competitive way. The political competition which exists between the executive departments and Congress at the moment is nothing new, but such competition should not be allowed to impair the capacity of Congress to get the information which it needs.

He added:

"Congress should-and mustseep control both of the sources nd methods of collecting revenue nd of the allotment or appropriaion of public funds. It should ontrol the accounting by which all Government agencies are cept within the purpose and the the appropriations ranted to them Congress. These revenue, budget and accounting agencies, when once prought under the direct control of Congress, should be adminisered by non-political, experienced legislators who should be equired to attend all meetings of the revenue and appropriation committees of both houses of Congress when revenue and appropriation measures are under onsideration. It is only by such rganization that the representaives of the people, through their committees, can secure the inormation essential to wise legisative control.

"Under such a reorganization, he Secretary of the Treasury would be relieved of a mass of ax detail, and would be free to levote his energies to the trenendous task of financing the

icies upon which the financial, economic and social lives of the people depend."

Mfg. Employment At Peak Of 16 Million

The National Industrial Conerence Board reported the latter part of last month that manufacturing employment rose by about 160,000 during February, bringing the total number at work in factories to the 16,000,000 level for the first time in the nation's history. In 1939, only 10,000,000 workers were engaged in manufacturing activities, says the Board, which adds that at that time 31 of every 100 civilian workers in nonagricultural activities were on factory payrolls. Currently 38 of every 100 nearly civilians employed off the farm total.

are factory workers.

The Board's announcement fur-

"Total employment during Febuary rose by fully 900,000. Including men in uniform, the total number employed rose to 58,500,-000, or nearly 8,000,000 more than During these 12 a year ago. months about 5,000,000 found employment in the military services. while a little less than half this number were added in manufacturing plants. Farm employment, however, was nearly 100,000 less than in February, 1942.

'As in previous months, gains in factory employment were confined primarily to the heavy industries, particularly the transportation and machinery groups. Total employment in nondurable goods fell off slightly with small gains in the apparel field failing to offset a lower level of employment in the food industries. Leather, textiles, apparel and paper were among the major manufacturing groups with a significantly lower level of employment than in 1942.

'Employment in construction and in trade, distribution and finance continued to recede and dropped sharply below 1941-1942 levels. The number at work on construction projects decreased by fully 200,000 during the month, and was a sixth lower than in the past two years. In the trade group employment was 350,000 the previous year and 200,000 under the 1941 below

Federal Taxes And Utility Earnings

(Continued from first page)

of fixed rate enterprises, than in the previous year, without resort to annoying and vote-destroying boosts in tax rates.

But the effect of this mis-branding of tax terminology on fixed-rate enterprises, of which electric and gas utilities comprise a substantial part in this country, was about the same as though tax rates had been sharply increased. And since the Revenue Act adopted last Fall has been in operation for all of 1942, due to its retroaction to the first of the year, its effect on utility earnings is susceptible of fairly accurate measurement.

Accordingly, the questions with which this comment is concerned are: (1) How have utilities fared under the 1942 Revenue Act; (2) What effect has this labeling of normal profits as "excess profits," and the taxing of them as such, had on the gross incomes of holding companies and operating utilities; and (3) What measure of relief might be accorded them, and all other forms of corporate enterprise, without decreasing the flow of revenues to the Federal Treasury?

To use Al Smith's famous expression, "Let's look at the record." The annual reports of eight utility holding companies, and the annual reports or year-end income accounts of 37 operating utilities, have been received to date. Since we are interested primarily in increases in gross revenues received by utilities for services rendered in relation to increased taxes of both the Federal and non-Federal variety, and the effect of taxation on the balance of earnings remaining to reward the capital embarked on the enterprise, suppose we confine our consideration of these reports to

During 1942, the eight utility holding companies did \$68,-078,614 more business than in 1941. That's the increase in reported operating revenues, from which all related costs had be evidenced by the following tabulation: to be met—the year-over-year increase in gross receipts from all services rendered. But in 1942, Federal tax gatherers alone grabbed \$44,000,808 more than they did in the previous year. As a result, Federal taxes consumed 64.6% of the increased revenues received during 1942. Taxes, moreover, assessed by State and local governments increased in the aggregate by \$3,000,472, with the result that the combined tax bill of these eight holding companies totaled \$47,001,280 more in 1942 than in the year before. That's equivalent to an even 69% of their increased operating revenues, which means that after they had paid their taxes they had but 31% of increased revenues left with which to pay the increased labor, fuel and material costs of rendering this added service. In addition they had to pay the hire of capital invested during the year in new facilities out of this 31%.

The individual experiences of these holding companies,

increased operating revenues, while that of American Gas & Electric was 112.6%. And when their total tax bills are considered-Federal, State and local-Columbia's tax increase was equivalent to 173.0% of increased revenues, that of American Gas & Electric 111.2%, Southern California Edison's 106.5%, and Niagara Hudson Power's 100.8%.

These are just the holding companies examined, more than 100% of whose increased gross revenues were appropriated by tax collectors during 1942. And largely as a result of this increase in governmental exactions, seven of the eight holding companies suffered losses of from 14.5%, in the case of Southern California Edison, to 4.2% in the case of Columbia Gas & Electric, in gross income, as compared with 1941. Only American Water Works & Electric of the eight under review reported a gain in gross incomea mere \$80,170, equivalent to about 1% of the 1941 figure. But in the aggregate, the eight holding companies reported \$19,987,183 less gross income in 1942 than the year beforea drop of 8.8%. As you may have noted from the foregoing figures, the over-all tax bills of American Gas & Electric and of Columbia Gas & Electric were lower than their Federal tax bills. This was due to a decline from 1941 levels of State and local exactions.

Turning now to the 37 operating utilities examined, we find that much the same conditions existed. Collectively, they did \$55,853,879 more business last year than the year before, but of this increased gross revenue, which represents the amount they collected, before any expenses of rendering service were paid, over and above the sum collected in 1941, expanded Federal taxes absorbed \$43,637,422, or 77.3% Moreover, their aggregate State and local taxes increased \$2,098,752, which brought their increased taxes, levied by all authorities in 1942, to \$45,736,174 more than in 1941. That's a tax increase of 81.9% of increased gross receipts, and due largely to that boost in taxes, their aggregate gross income, available to pay the wages of capital they employ, was \$15,313,017 below the level of the previous year, or a drop of 7.8%.

But the increase in governmental exactions assessed against operating utilities in 1942 over 1941 showed a much wider variation, when matched against increases in gross receipts, than was true of holding companies. Until a more horrible example comes to notice, Carolina Power & Light has the doubtful distinction of being the most sinned-against utility in the country, taxwise, on a comparison of increased taxes with increased gross revenues. Where its 1942 operating revenues—the dough it collected from its cash customers—exceeded those of 1941 by a mere \$194,153, its Federal taxes were \$1,694,207 higher than in the preceding year, equivalent to 872.5% of its increased receipts, while its total tax bill was \$1,800,962 above 1941, or 927.4% of the boost in dollars collected. Considering Federal taxes alone the increase over 1941 in ratio to increased operating revenues was:

| Carolina Power & Light | 872.5% |
|---------------------------|--------|
| Idaho Power | 221.1 |
| Detroit Edison | 193.8 |
| Peoples Gas Light & Coke | 187.5 |
| Boston Edison | 128.3 |
| Kansas City Power & Light | 123.6 |
| Montana Power | 117.8 |

These are the operating utilities under examination whose increases in Federal taxes exceeded their increases in operating revenues during 1942. In addition, five more coinpanies came close to the mark. These were:

| Philadelphia Electric | 98.6% |
|----------------------------|-------|
| Pacific Power & Light | 97.6 |
| Pennsylvania Power & Light | 94.6 |
| Union Electric | 81.2 |
| Consumers Power | 77.7 |

Much the same condition exists—the ratio of increased taxes to increased operating revenues-when the total tax bills of the 37 operating utilities are considered. This will

| Carolina Power & Light | 927.4% |
|----------------------------|--------|
| Idaho Power | 289.7 |
| Peoples Gas Light & Coke | |
| Detroit Edison | 194.2 |
| Boston Edison | 144.8 |
| Kansas City Power & Light | 114.4 |
| Montana Power | 114.0 |
| Philadelphia Electric | 98.6 |
| Pennsylvania Power & Light | 92.6 |
| Union Electric | |
| Pacific Power & Light | 91 3 |

Although each of the 37 operating utilities examined had higher Federal taxes in 1942 than in 1941, ranging from the previously noted 872.5% of increased gross revenues for Carolina Power & Light to 0.6% for Dallas Power & Light, 12 of the 37 utilities enjoyed 1942 rate reductions in State and local taxes from their previous year's levels. That this was not of benefit to all of them, from an earnhowever, differed widely. For instance, Columbia Gas & ings standpoint, is evidenced by the fact that while 12 of huge operations of the Federal Electric's boost in Federal taxes alone was 180.0% of its the 37 operating companies reported higher gross incomes

in 1942 than in 1941, only six of the 12 companies enjoyed lower State and local taxes.

It will be apparent from the foregoing that the effect of the current Revenue Act, which is based on the calling of black cows red, has been to absorb the greater part of electric and gas utility increased operating revenues—the total increase in dollars collected from customers for service rendered, before any item of expense has been deductedand not the "excess profits" which the Secretary of the Treasury talked about in early March of last year. In fact, none of the utilities examined, whether of the holding or operating variety, earned an excess profit in 1942, in the the most part, the newer orders honest meaning of that term. It would appear, then, that while the Secretary of the Treasury "sweet talks" the voters for the record, the Administration's true purpose is to get understand their meaning. Many the dough, no matter what the ill effect may be on fixedrate and regulated enterprise.

The tax record of these 45 utilities in 1942, moreover, approximates the pattern of taxation for the entire electric power and light industry, as will be seen from the following tabulation of year-over-year increases in gross revenues, Federal taxes and local taxes, expressed in millions of dollars:

| | | | Per Cent | | Per Cent | |
|--------------------|---------------|--------------|-------------|--------------|--------------|--|
| | | | Increased | | Increased | |
| | Increased | Increased | Taxes of | | all Taxes of | |
| | Operating | Federal | Increased | Increase | Increased | |
| Year | Revenues | Taxes | Revenues* | in all Taxes | Revenues* | |
| 1942 | \$155 | \$116 | 74.8 | \$117 | 75.5 | |
| 1941 | 225 | 104 | 46.2 | 107 | 47.6 | |
| 1940 | 132 | 50 | 37.8 | 59 | 44.3 | |
| 1939 | 103 | 15 | 14.6 | 29 | 23.2 | |
| Percentages of con | aplete figure | s, not neare | st million. | | | |

As you will see from the foregoing tabulation, the entire privately owned electric light and power industry in tion of businesses by size of anthe United States had more than three-quarters of its increased operating revenues—the total sum it collected for added service rendered-siphoned off by tax gatherers each classification. Classification last year, leaving it but 24.5% of that increase in dollar receipts with which to cover the costs of labor, materials, supplies and depreciation, plus the hire of \$482,000,000 of new capital invested during the year to expand service facilities. Yet this is the industry, according to a funny little ever, when it is seized upon as a Congressman from Mississippi, that is "overcharging" the great discovery for the regulation electric consumers of this country "a billion dollars a year."

One of the major flaws in the present Revenue Act is that it results in double taxation. Corporate profits, it will be noted, first are taxed in full, and at severe rates, while still in the hands of the corporation. Then, that proportion of earnings distributed to investors in the form of dividends is taxed again. Obviously, this taxing of corporate profits before distribution is taxation of stockholders without regard for their ability to pay. The 10-share holder of meager income is assessed at the same rate as the 1,000-share owner with an income in six figures.

If, however, the Revenue Act was amended to permit corporations to credit 50% of all dividends paid on preferred and common stocks against their normal and surtax liabilities, not only would the strain on corporate finances be one of that class regardless of the greatly relieved, but more liberal dividend policies would services he renders or the differresult. And since these distributed earnings would be taxable in the hands of recipients at higher rates, on the average, than those assessed against corporations, the flow of badly needed revenue to the Federal Treasury would be accelerated. Adoption of this plan, moreover, would eliminate, in part, the evils of double taxation, while stockholders would be taxed more in line with their abilities to pay.

This proposal is not new. It was submitted to the Sen-suffers a substantial and unnecate Finance Committee last Fall. But, possibly, like the essary hardship. Like the "avercase of the Ruml plan, because the Treasury Department tributor" is a statistical figment didn't think of it first, it didn't receive much consideration. of the controlling agency. Yet, it is deserving of added study by our constructors of Price Control In Ready-To-Wear tax legislation.

To be sure, these men, with innumerable pressure No. 330, the Office of Price Adgroups on their necks, and with a sincere desire to do justice to all our complex interests, did render some measure of relief to utilities in the 1942 Act, in the form of credit for 100% of the dividends paid on their preferred shares, but with no credit whatever for common stock dividends. Now, with the unfairness of the present levies on fixed-rate enterprises demonstrated, both the Senate and the House should appraise with avidity, considering the temper of the taxpayers, the merits of this proposal.

And why not? It will afford badly needed relief to both private enterprise and stockholders alike, while, at the same time, increasing the flow of revenues to the Federal Government. After all, they're out for the money, aren't signed to reduce his customary they?

Problems Of National Price Control

(Continued from page 1669)

tem of control should follow tra-jon. Moreover, if the application ditional costing and pricing patterns has been often substantially

Intelligible English-No Translators Needed

After many months of protests some progress has finally been made in improving the draftsmanship of official orders. For are in clear and direct language; and businessmen without extensive legal education can read and of the methods of control are cumbersome; but, at least, it is now possible to know what the basic objective of an order is. The expense of translating official orders into operating language has been materially reduced. There will be less failure to observe orders because the meanings were not clear. An important beginning has been made, but the clarification of past mistakes will be a long and tedious process.

That Classification Hocus-Pocus Again

Perhaps the most dangerous tendency now is the apparent official belief that the solution of the complexities of price control lies in wide resort to classificanual sales and the application of fixed percentage margins to broad groups of merchandise within is a useful device for observing certain basic characteristics of business enterprises, and it has a proper place in the teaching of the principles of marketing. Howof prices it can do incalculable harm to the business structure of the country.

Theorists On A Food Pricing Rampage

In Maximum Price Regulation No. 238, for instance, all the retail food distributors of the country are divided into five classes according to their annual sales vol-Fixed mark-ups are then established for each class of retailer and each broad class of food product. Any food retailer selling more than \$250,000 per year is automatically classed with the super-market, drive-in type of retailer and must use the markences in the types of foods he The price controllers are gradually discovering that the regulation cannot be applied without doing great injury to particular classes of retailers who sell specially selected food products that are not standardized in quality, taste and consumer pref-erence. Relief is promised, but in the meantime the quality grocer

With New Tucks And Frills

In Maximum Price Regulation ministration has achieved considerable improvement over prior methods of controlling the prices of ready-to-wear at retail, but here again we find the bold assumption that the key to intelligent price control is resort to grand averages. Under this order, the retailer is required to find the average mark-on realized in the base period on the greatest quantity of garments sold in a given cost-price line. This is the average mark-on that he must apply to all subsequent purchases at the same cost price line. Actually, the greatest quantity method of determining mark-on is demark-on, for the greatest quantity is always sold at the lowest mark-

of this calculated mark-on produces a price which is higher than the highest March, 1942 price, the penny excesses must be lopped off as dangerous inflationary menaces.

Quick Henry!-Flit For Price **Control Irritants**

We cannot be here concerned with the minutiae of particular price orders; but permeating the great gangling structure of price control, one finds enormous tortuous efforts to achieve microscopic price regulation. There is little practical judgment as to the merit of minute restraints; and the price orders are replete with wholly useless business irritants for which there seems to be no handy administrative Flit. Practical businessmen know that operational wastes of minor significance are only controllable at inordinate expense. They ignore them and concentarte on the important problems. The perfectionists in price control have not yet learned this simple business principle.

Tilting With Administrative Windmills

Any businessman who has battled alone or with his trade group for the modification of some unsound principle in a price regulation finds himself merely a valiant Don Quixote tilting with enormous administrative wind-Weeks sometimes elapse before a respectful query is answered; and, more often than not, the answer will contain some homily on the perils of inflation and occasionally a reminder that the country is now at war. are slowly beginning to realize that price control cannot be successfully administered unless the processes of amendment and specific relief are liberalized. Individual price adjustments have been denied since Nov. 30, 1942; many of these appeals have not yet been processed; and the rules governing their adjustment seem to be unnecessarily meticulous and severe. Just how a healthy civilian production and distribution structure adequate to serve the needs of 125,000,000 or more civilians can be preserved with-

out sound appeal procedure is not clear

Price Control Information Eventually

The businessman who earnestly seeks to cooperate with his Government in observing the price orders is confronted with many difficulties. He may get his first inklings of new controls over the radio, or in brief reports in the business press. Considerable periods elapse before the new orders are printed in the Federal Register and reproduced in the reporting services to which he subscribes. Frequently, there are long delays before his district control office can give him helpful and precise advice. It is not unusual to find that official orders cannot be obtained until several days after their effective dates. Sometimes they are not even printed until long after their effective dates. The advance publicity is often badly handled, and tends to accentuate the very difficulties that controls seek to cor-

Price Control And Political Glory

As already suggested, it is not difficult to engage in caustic criticism of present methods of price control. Much of the difficulty is inherent in the magnitude and complexity of the problem. It is unfortunately true that the individual who accepts responsibility for the administration of the price control system is not likely to enhance his political fortunes. He touches the pocketbook nerves of millions of citizens. He faces a task that requires great intestinal fortitude, tact and keen judgment of the practical limits of price control. A large part of the pressures for increased prices are wholly beyond his control. Impartial appraisal is perhaps impossible under the stress of war and dependable judgments of achievement must await the economic historian of the future.

Price Control Remedies

However, intelligent price control is a vital necessity and mere criticism without constructive suggestion serves no public pur-Only the bare outlines of possible improvement can be here sketched.

The Protection Of The Home

It is abundantly clear and now (Continued on page 1672)

COLUMBIA GAS & ELECTRIC CORPORATION



Principal Operating Companies

BINGHAMTON GAS WORKS THE CINCINNATI GAS & ELECTRIC COMPANY THE DAYTON POWER AND LIGHT COMPANY THE MANUFACTURERS LIGHT AND HEAT COMPANY NATURAL GAS COMPANY OF WEST VIRGINIA THE OHIO FUEL GAS COMPANY THE UNION LIGHT, HEAT AND POWER COMPANY UNITED FUEL GAS COMPANY

War Damage Insurance Earnings Should Revert ated as a profit-making enter-To Policyholders, ABA Urges In Resolution

Adoption by the War Damage Corporation of a policy whereby the net earnings of the corporation will ultimately revert to its policyholders, either through remission of premiums or refund of remaining surplus left at the end of the war, has been urged by the American Bankers Association, it was revealed on April 22. A. B. A. Executive Council at its meeting held in New York City on

April 12 adopted a resolution containing this recommendation. This vide insurance against losses of resolution pointed out that the property resulting from enemy protection of property against war damage is a national responsibility and should not be operated as a profit-making enterprise. The resolution is as follows:

"Whereas, The War Damage Corporation was created to pro- Corporation should not be oper-

attack, and

"Whereas, protection of property against war damage is a national responsibility, and

"Whereas, the War Damage

"Resolved, That in the opinion of the Executive Council of the American Bankers Association the net earnings of the War Damage Corporation should ultimately revert to its policyholders, either by remission of premium and/or a refund of any surplus remaining at the end of this war.

In presenting the resolution to the War Damage Corporation, the ABA, through its Insurance and Protective Committee, urged that announcement of such a policy should have a reassuring effect on property owners and that it should help to stimulate sales and encourage renewals of their policies by property owners.

prices for luxuries and semi-luxuries will perform their natural functions of restraining demand.

The Need For Local Appeal

Boards The whole process of appeal and relief from unfair restraints must be modified. It must be handled on a regional or district basis, and be vested in the hands of appeal boards that will command the confidence of industry and the consuming public. cannot expect such intricate questions to be handled by an administrative agency far removed from the problem and not equipped to give judicial appraisal of the applicant's needs.

Mink coats, grand Price Control In The American Tradition

Finally, price control must be point of sale. business and the consuming pub-

Problems Of National Price Control

civilian economy. It must organize and regulate the flow of materials to the end that the maximum war effort is exerted with the least serious damage to the civilian economy. It is a gigantic job in over-all organization for total war.

Civilian Industries Must Live

In price control, there must be recognition that the costs of production cannot continue to advance without blowing the lid off There must be price controls. proper readjustment for the enormous distortions inherent in an economy that has functioned for many months partly free and partly subject to rigid price con-The new "Hold-the-Line" executive order does not abolish the need for these readjustments. If it is necessary to permit adequate profit in war industries to attain maximum production and to build reserves for peace, there must be equal recognition that advancing costs in civilian enterprise necessitate sufficiently liberal price control programs to maintain the civilian production and distribution structures and fortify them for the severe periods that lie ahead. It is not necessary to have uncontrolled domestic prices to achieve this end; and, in fact, it cannot be achieved without proper price The price level today is not much greater than it was in 1926 and properly controlled advances need not create economic catastrophe.

Streamlined Controls

Apart from the whole question of other fiscal controls, it is doubtful if any agency of price control can function effectively for any considerable period when it can exert no control over the supply of goods or the demand for them. Rationing may regulate demand, but it cannot do any-The price thing about supply. control function wholly divorced from supply and demand must encounter ever-increasing diffi-culties. This suggests that economic controls must be streamlined: that price control is properly an important but subsidiary adjunct to individual and separate agencies with broad regulatory powers over the production and distribution of foodstuffs, clothing and shoes, shelter, fuel and such other basic divisions of the economy as the exigencies of the war may require.

Individual Percentage Item Mark-On Control

The great complexity of distribution price structures suggests that a wide variety of complicated formulae are not workable devices. The simplest and the most workable system of retail price control is dependence upon individual percentage item mark-on of each seller in a selected base period, preferably the levels of income, and as long as year 1941. When and if such a plan exemptions must be pushed to low used as a flexible form of expen-prohibitive, and thus conserve re- taining it."

(Continued from page 1671) is ever adopted, administrative publicly admitted that there is effort can then be concentrated is ever adopted, administrative need for a strong independent of- upon fair and equitable controls fice of civilian supply. It must at the manufacturing level. arbitrate the needs of the armed is not an easy problem, but it is arbitrate the needs of the far less complicated than farflung attempts to regulate the vast price structure of distribution by an elaborate system of intricate orders.

Mink Coats, Grand Pianos And Bread With Butter

Since the big problem of price control is to restrain the advance in the cost of living of the bulk of the population, it would be most desirable to abandon price controls of luxuries and semiluxuries. pianos, fine china, most jewelry, hand-tailored suits, high priced ready-to-wear, expensive furni- a great cooperative effort. ture, caviar, truffles and a wide cannot put a policeman at each range of other items can be left free from price restraint without depend upon the willingness of endangering the national program. The really important prob- lic to work for the common good lem is to hold the cost-of-living in the face of a great emergency within a reasonable range. We In essence, this means that price can ill afford to dissipate admin- control must be a democratic proistrative energy and manpower in cedure, conceived and adminiscontrolling the prices of inconse- tered in the great American traquentials of wartime living. High dition.

Immediate Adoption Of Spending Tax To Replace Income Tax Urged By Economists

Irving Fisher and William Vickrey Present Plan In Columbia Law Review

A far-reaching change in our tax system was urged by Irving Fisher, Professor Emeritus of Economics at Yale University, former President of the American Economic Association, and William Vickrey, senior economist of the United States Treasury Department, in a symposium in an issue of the "Columbia Law Review," a publication of the Columbia Uni-

versity Law School. spending tax is that it can be adopted gradually, would prefer number of taxpayers to be found to have it adopted fully at once, there. in place of the present income tax. Mr. Vickrey, whose opinions are stated to be his own rather than the Treasury Department's, would levy the entire wartime increase in taxation on the middle income classes in the form of a spending tax.

"A spending tax is a progressive tax based on the amount which individuals spend for personal consumption," Mr. Vickrey explains. "Exemptions are provided to protect from tax those maintaining only a minimum standard of living, and rates become heavier as the level of spending becomes such as to indicate a more luxurious level of outlay." He goes on to say, in

"When drastic tax increases are necessary, an increase in the form of spending tax will be much less disruptive of individual life insurance plans and other fixed forms of savings than an increase in the form of an income tax. There may even be a good case for replacing a portion of the present income tax with a spending tax. Practical considerations, however, may militate against the use of the spendings tax at low

levels, the income tax or a re-Dr. Fisher, while pointing out fundable levy based on income that one of the advantages of the may well be the most expedient method of reaching the large there.

> "Whatever the merits of the spending tax as a permanent tax, the need for such a tax under present circumstances is both obvious and pressing. There is no question of the need for stimulating saving now by every known means. Moreover, the wartime advantages of the spendings tax are not confined to its effect on savings. When tax rates reach such high levels at fairly moderate incomes as will be necessary for an adequate fiscal program, it becomes important that the incentives to productive effort be preserved as far as possible.

"Because of the shortage of con-He goes on to say, in sumer goods, it is difficult or even impossible to offer substantial incentives in the form of additional goods for immediate consumption without impairing the standard of living of those barely at the minimum levels required for efficient work. With a spending tax program it is possible to offer such incentives in the form of claims to future consumption goods without the rigidity involved in a program of compulsory lending or expenditure rationing.

Whose Goose?

SEC Disintegration Policy Ruinous to Many Investors

The course of disintegration of utility holding companies favors the speculator. It works this way. A company, decides to buy in certain debentures, bonds, or preferred stocks. It requests permission from the SEC. Its intent is public knowledge from the documents. The Commission, molasses-like in the speed of its thinking except on matters where its bureaucratic future is at stake, cogitates, while speculators speculate. And when the permission is given, the smart people have bought up the bonds from the uninformed, or else have their tenders in ahead, and reap the profit. Disintegration offers halcyon possibilities for good guessers to fish profits out of troubled waters, with the widow and orphan again on the short end.

A curious reflection on official wisdom appears in the Commission's attitude toward capital simplification under. Section 11-B-2 of the Utility Act. The Commission has for some years been registering indignation about the arrears of dividends outstanding on many preferred stock issues. And of course there are two policies the Commission can take, in such cases, which offer a nice opportunity for doing good at somebody else's expense. It can follow either the contractual principle or the composition principle. In other words it can either see that preferred stockholders get their promised rights, in which case common stockholders are forever out in the cold, or it can compose the matter and give the common stockholders a little something anyway. The first is the principle on which the Interstate Commerce Commission has acted in the case of the bankrupt railroads. The second is the underlying principle of Sections 75, 78, and notably 77-B of the Federal Bankruptcy Act as amended

By 4 to 1 in the International Hydro case and 3 to 2 in a recent decision, the Commission has followed the composition principle of 77-B. The common stockholders are to get at least something.

This is not to argue the relative merits of the two principles. That is for better minds. But the pundits of Washington seem strangely at odds, for there is a striking contrast between the ICC's view, recently supported by the Supreme Court in the Northwestern case, which bans the common stockholders forever to outer darkness, where there is wailing and knashing of teeth, and the SEC's majority view, which clips the preferred stockholders of some of their rights. The SEC, in the authentic manner of the bureaucrat, has tried to avoid responsibility for any consistency, by saying that liquidation is not bankruptcy, but it comes to the same so far as the results go, and the contradiction is an amusing light on the alleged superiority of the bureau mind.

For consumers of power, including people who buy it to read by, the result is bound to be higher rates or fewer reductions in rates. The SEC has consistently refused to consider as pertinent the lower rates charged by holding company subsidiaries, except in a recent puerile speech before the "New School of Social Research" by its latest Utility Division head, mixing up the irrelevant matters of holding company capitalization and subsidiary company rate structure. Disintegration will make integration economies more difficult, and wipe out the economies possible in holding company management.

Disintegration is giving the Commission's Philadelphia lawyer fledglings a temporary career of kicking experienced utility lawyers around, hauling them down to Philadelphia and hearing, reviewing, correcting, re-writing, and otherwise pawing over legal documents. Fortunately, as the days pass the demise of the New Deal is indicated more and more. However, if the SEC had its way before the last utility holding company was wound up, they would welcome the power to tackle the equally destructive task of breaking up General Motors, U. S. Steel and other holding companies in the industrial field.

In any event, as things stand now, the SEC is making the investments of many widows and other investors a gone

a degree of equality of immediate duction. sacrifice which is impossible under the income tax. No income drawing upon capital, and the in- purchasing power so as to avoid come tax will impinge to a minor either post-war inflation or slump. extent if at all on retired persons While probably most of the prestal. A spending tax, on the other this tax as conditions return to hand, can make luxury spending normal, the balance of considera-"The spending tax can also be in a period of emergency almost tions may well be in favor of re-

diture rationing, and can produce sources to promote efficient pro-

"In the immediate post-war period gradual reduction of the tax, however severe, can prevent high spending tax rates may well the wealthy from maintaining an be one of the most effective methunduly high standard of living by ods of controlling the flow of and others who normally are in ent advocates of the spending tax the course of living off their capi- look to the gradual abolition of

Wider Social Aid In Post-War Era Urged By Secretary Perkins

If we think now of the objectives that will help to lighten the load of the peace that must be won through "blood and sweat, toil and tears,"

we can hold on to the victory that is going to cost us so much, said Secretary of Labor Frances Perkins in New York on April 29.

Speaking at the 31st anrual meeting of the Children's Welfare Federation, an organization of 250 member groups,

ber groups, Frances E. Perkins Miss Perkins urged the Federation "to drive ahead as hard and toward providing the essentials of community care for your children as you see their need."

The foregoing is from the New York "Times" of April 30, which gave Miss Perkins's further remarks as follows:

"There are three things we want," she said. "One is the chance to work and to produce the goods that human beings need. The second is security from adversity when the chance to work is cut off.

"Then we want a chance for every one to equip himself and increase his capacity to function as a productive member of society, able to enjoy a share of its amenities. For this we must have more and a higher level of community

"Not even a high level of employment guarantees that all families are secure," she said. "Even in 1942, according to OPA estimates, one out of every five families had an income of less than

\$20 a week.

"We want, and must have, security for people against the common hazards which we cannot provide against by ourselves. We must provide for access by every citizen to the absolute necessities of life."

Miss Perkins said her experience as Chairman of the President's Cabinet Committee had shown her that what we must do is "extend and develop our social insurance program to cover all

workers. "The contribution rate for the kind of social insurance system I have in mind would, at the outset, be about 10% of payroll," she said. "This would be shared equally by workers and employers. For the first 10 years of such a system, there would be no necessity for the Government to contribute out of general revenues, since receipts would exceed disbursements. However, when the total cost began to exceed ment benefit rights built up, the Government could well pay for the excess until eventually there would be equal tripartite distribution of cost.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Ralph Lowell retired from partnership in Clark, Dodge & Co. on May 1. Mr. Lowell made his headquarters at the firm's Boston office.

John F. Garvey retired from partnership in La Branche & Co. on April 30.

S. H. Fessenden, partner in F. S. Moseley & Co., Boston, Mass., died on April 27.

The Securities Salesman's Corner

How About A Housecleaning In the Sales Department!

There is something about the Springtime that suggests to all of us—clean up, get a new start, get going again. It's no wonder that Spring is the conventional time for housecleaning, so let's look around in the "sales department" and see what we can do that will bring renewed life and efficiency into our work. This Spring it looks like prospects for increased business are better than has been the case in many years—our working tools should be in ship-shape condition so that we can make the most of our opportunities.

Here are some suggestions for a "housecleaning" in the sales department:

PROSPECT FILES:

SALESMEN'S PROSPECT CARDS should be checked and all prospects that are no longer suitable for a place on the active list should be eliminated. Many times salesmen will continue to make calls upon prospects that have become deadwood. Get them out of the files, stop wasting time on them, replace them with new names that may hold promise of business.

PROSPECTS SHOULD BE SWITCHED FROM ONE SALES-MAN TO ANOTHER. This is often productive of business because it is a well-proven fact that one salesman may be able to do business with a qualified prospect where another has failed. If possible hold a general sales meeting and make a reshuffle of names between members of your sales organization.

LISTS OF HOLDINGS SHOULD BE GONE OVER CARE-FULLY AND RECHECKED, BOTH FOR SALES IDEAS AND ACCURACY. If a master holding file is kept then it is a good idea to go through the entire list and cull out all the situations that have radically changed their status (either from good to bad, or vice versa) and list them for action upon the part of the salesmen who have customers interested in these items. Many times a planned campaign that will produce very good results can be based upon specific situations held by prospects and clients—besides this gives the salesmen a sound, businesslike reason for making a call.

MAILING LISTS:

It is not difficult to keep a mailing list up to date providing someone is specifically charged with this duty, and a simple system of making additions or deletions is in use. Many organizations, however, continue to send extensive mailings to numerous prospects that an analysis would show they could never hope to do business with. Again, many times salesmen add names to their own personal files that are not placed upon the firm's mailing list. Salesmen's active prospects should have first place on every mailing list—they represent the most important source of immediate business. All worthwhile names directly being contacted by the sales force should have the backing of personal mailings, standard mailings and all other advertising literature that is directed toward creating confidence and good-will.

YOUR IDEA DEPARTMENT:

This is our own pet department—but it is also where the cobwebs can accumulate in every well-run sales department, even at times when we are not aware that a housecleaning is needed. It's the easiest, most natural sort of thing to see how many sales organizations go along from week to week and never realize that they are getting deeper and more completely into a rut day after day.

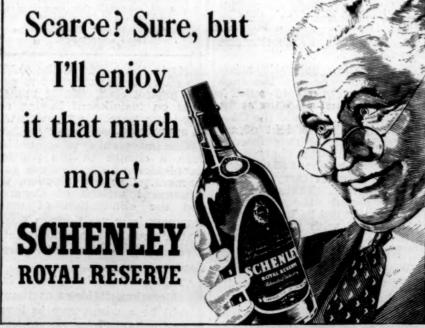
One sound, creative "selling idea" that has some imagination behind it, can do more to improve sales production than any other thing you can bring before your salesmen as an incentive and a stimulant. It can be a new security, a special situation, a new method of prospecting, a mail campaign for new leads, a bonus and incentive arrangement for increased production, or any of scores of other ideas along this line that are specially suited to your own territory, your organization, and your own policies of conducting your business.

Dunnagan With Newhard

ST. LOUIS, MO.—Francis A. Dunnagan, formerly with Smith, Moore & Co. for many years, has become affiliated with Newhard, Cook & Co., Fourth and Olive Streets, members of the New York and St. Louis Stock Exchanges.

Fagan To Admit Cunniff

Melvin Cunniff will become a partner in Fagan & Co., 41 Broad Street, New York City, members of the New York Stock Exchange, as of May 13. Mr. Cunniff will acquire the New York Exchange membership of the late Arthur Corlies.



60% grain neutral spirits. Blended whiskey, 86 proof. Schenley Distillers Corporation, N. Y. C.

Investment Trusts

(Continued from page 1664)
an analysis of the stock market.
Expressing uncertainty as to nearer term fluctuations, the bulletin concludes as follows: "Common stocks can be purchased and held in the confident expectation of satisfactory longer term investment experience, in view of the fact that at present prices in relation to current earnings, dividends and interest rates, and particularly in the light of favorable post-war industrial prospects, the investor is not paying a premium

for whatever protection equities

might afford against ultimate in-

flationary manifestations.

North American Securities Co. has reprinted Barron's Investment Trust Gauge for the period ended March 31 and is distributing it together with copies of a new folder "Solving Today's Investment Problems." Since the performance of this sponsor's Commonwealth Investment Company, as measured by the "Gauge," is tops for the four-year period ended March 31, 1943, North American Securities may be considered to speak with authority on the solution of investment problems.

Quarterly Income Shares, Inc., which some years back utilized

earlier charter amendments to discontinue repurchase of its own shares at asset value, has recently announced that it will henceforth redeem shares at 80% of asset value. The announced purpose of this offer is to place a floor under the price of the shares in relation to asset value. of new shares of this fund were discontinued eight years ago. Marketability of open-end investment company shares being offered today is guaranteed at approximately net asset value by charter provisions and by the Investment Company Act of 1940.

Dividends

New York Stocks, Inc.—Payable May 25 to stockholders of record May 5, 1943, as follows:

| | Amount of |
|------------------------------------|-----------|
| NEW YORK STOCKS, INC | Dividend |
| | Per Share |
| Agricultural Industry Series | \$.17 |
| Alcohol & Dis. Industry Series | .18 |
| Automobile Industry Series | .10 |
| Aviation Industry Series | .35 |
| Bank Stock Series | .13 |
| Building Supply Industry Series_ | .12 |
| Business Equip. Industry Series_ | .22 |
| Chemical Industry Series | .12 |
| Electrical Equip. Industry Series_ | .13 |
| Food Industry Series | |
| Government Bonds Series | .00 |
| Insurance Stock Series | .16 |
| Machinery Industry Series | .24 |
| Merchandising Series | .18 |
| Metals Series | .19 |
| Oil Industry Series | .11 |
| Public Utility Industry Series | .09 |
| Railroad Series | .15 |
| Railroad Equip. Industry Series_ | |
| Steel Industry Series | .17 |
| Tobacco Industry Series | .25 |
| | |



So let's keep a smile a-going back here, too.

Even though war is crowding the wires, telephone people still want to give you pleasant, friendly service. Materials for new telephone facilities are not to be had. But there's no shortage of patience and understanding.

Takes a lot of pulling together to do this and we appreciate the help from your end of the line.

BELL TELEPHONE SYSTEM



WAR CALLS COME FIRST

Your continued help in making only vital calls to wer-busy centers is more and more essential every day.

WAINWRIGHT, RAMSEY & LANCASTER

Consultants on Municipal Finance

Announce the removal of their office to

70 PINE STREET

NEW YORK

New Telephone Number: WHitehall 4-3540

TOWNSEND WAINWRIGHT J. BASIL RAMSEY HERBERT D. LANCASTER* ("In United States Navy)

April 30, 1943

Municipal News & Notes

eral agency.

Examination of the income and expense statements of 22 projects operated by housing authorities in various sections of the country, whose fiscal year ended Sept. 30, 1942, shows that the projects had an aggregate surplus of \$633,858 for the period. This balance is after payment of all operating expenses, provision for debt service on outstanding bonds and allowance for reserves for repairs, maintenance and replacements, vacancy and collection losses. The surplus will be applied toward reduction of the next succeeding FPHA annual contribution to the various authorities.

The report was issued by Milton Mallin, chief financing attorney of the FPHA, along with announcements of the scheduled sales on May 5 and May 12 of certain housing note issues totaling \$21,570,000. It reveals that the 22 projects had total income for the last fiscal year of \$4,305,468, of which \$2,-493,424 represented net dwelling rentals, \$40,280 other income and \$1,771,764 consisted of an-

| | Total | |
|-------------------------|-----------|--|
| Project | Income | |
| Phenix City, Ala. | \$124,148 | |
| Phoenix, Ariz. | 154.353 | |
| Bridgeport, Conn. (1-1) | 664.986 | |
| Bridgeport, Conn. (1-2) | 233,256 | |
| New Britain, Conn. | 130,470 | |
| Daytona Beach, Fla. | 18,419 | |
| | | |
| Marietta, Ga. | 67,290 | |
| New Orleans, La. | 1,659,046 | |
| Lowell, Mass. | 203,248 | |
| Biloxi, Miss. | 80,658 | |
| Hattiesburg, Miss. | 63,481 | |
| Beverly, N. J. | 25,452 | |
| Charleston, S. C. | 223,769 | |
| Spartanburg, S. C. | 69.759 | |
| | | |
| Jackson, Tenn. | 53,879 | |
| Nashville, Tenn. | 235,078 | |
| Brownsville, Texas | 15,908 | |
| Waco, Texas | 61,946 | |
| Hopewel, Va. | 24,226 | |
| Wheeling, W. Va | 62,661 | |
| Williamson, W. Va. | 30.844 | |
| Honolulu, Hawaii | 102,481 | |
| Monorara, Mawall | 102,401 | |
| | | |

for redemption of publicly-held series A bonds, \$77,183 for interest on such indebtedness, \$635,453 interest paid on series B bonds, all of which are held by FPHA, and \$177,389 set aside as a reserve to meet future interest and principal payments. As \$434,091 was set aside as a reserve to cover repairs, etc., this increased the total expenses item to a figure of \$3,616,163.

nual contributions by the Fed-

Total expenses before re-

serves was \$3,182,071, of which

\$1,870,525 constituted debt serv-

ice charges, as follows: \$980,500

The following tabulation shows the total income (including FPHA contributions which are separately listed) of each project for the fiscal year ended Sept. 30, 1942, total expenses, including debt service and reserves for repairs, etc., the respective balances to be applied toward reduction of the next FPHA annual contribution and the amount of Series A bonds

| FPHA | Total | | Series A |
|----------|-----------|----------|----------|
| Contrib. | Expenses | Balance | Redemp. |
| \$44,760 | \$106,266 | \$17,590 | \$25,000 |
| 54,390 | 129,191 | 20,284 | 30,000 |
| 218,748 | 500,274 | 160,075 | 123,000 |
| 81,640 | 204,734 | 27,106 | 45,000 |
| 44,370 | 104,809 | 20,686 | 24,000 |
| 6,480 | 15,686 | 2,240 | 3,000 |
| 26,460 | 57,007 | 7,728 | 14,000 |
| 760,800 | 1,439,989 | 208,592 | 426,000 |
| 89,040 | 175,323 | 25,894 | 50,000 |
| 31,440 | 59,913 | 16,864 | 17,000 |
| 25,230 | 55,480 | 6,722 | 13,000 |
| 10,710 | 20,883 | 3,741 | 5,000 |
| 100,446 | 184,839 | *35,099 | 57,000 |
| 26,490 | 57,478 | 10,144 | 14,000 |
| 21,420 | 46,802 | 5.687 | 11,000 |
| 101,010 | 198,473 | 32,383 | 55,000 |
| 5,310 | 13,599 | 1,826 | 2,500 |
| 26,194 | 52,091 | 9.694 | 14,000 |
| 9,540 | 19,833 | 3,621 | 5,000 |
| 37,800 | 58,320 | 2,798 | 20,000 |
| 13,260 | 26,321 | 3,702 | 7,000 |
| 36,225 | 88.842 | 11.369 | 20.000 |

*An additional sum of \$28,265 derived from sale of excess lands will also be applied to reduction of the next FPHA contribution to the project.

Winter Haven, Fla., Calls **Bonds**; Deferred Interest Coupons Held Invalid

W. W. Jamison, City Manager of Winter Haven, Fla., directs attention to the fact that all outstanding callable bonds of the city were called for redemption on April 1, 1943, and that interest on the bonds ceased to accrue as of that date. Mr. Jamison's recent statement that funds for redemption of the bonds were available on the call date and remain available indicates that many of the bonds have not as yet been presented for payment. This apparently may be due to the fact that two previous calls had to be rescinded because of the filing of suits against the city "at the last moment" pertaining to the bonds in question

The City Manager also advises that in the 1933 refunding by the had a cash surplus of \$98,772 in city, a deferred interest coupon was attached to each bond, which was to be payable at the maturity of the bond. The validity of such coupons, he says, has always been questionable, and in several similar cases they were declared by the Florida Supreme Court to be invalid.

In a suit relative to the Winter Haven deferred interest coupons (Andrews vs. City of Winter Haven, 3 So. 2nd 805), the Supreme Court specifically declared that the coupons were invalid, according to Mr. Jamison. Subsequently, a suit filed in the Federal District Court, also an appeal taken to the U.S. Circuit Court of Appeals for the Fifth District, at New Orleans, La., were both dismissed. As a result of these rulings, Mr. Jamison reports, "it is apparent that the invalidity of these (Winter Haven) deferred interest coupons has been definitely established, and hence they cannot be paid.

Stating that the new refunding plan will result in an annual interest saving to the city of from \$30,000 to \$40,000, the City Manager reported that Winter Haven As compared with private debts its debt service account as of this load should be bearable. March 31 last, after providing for April 1, 1943, interest charges and with only five months of the current tax roll collected.

The cash surplus, the City Manager continued, "is more than sufficient to pay debt serv-

(Continued on page 1679)

Tomorrow's Markets Walter Whyte Says-

EDITOR'S NOTE - Owing to a delay in transmission the article bearing the above caption, which was to be received by telegraph this week, was not available up to the time of going to press. It will be given in our issue of Monday, May 10.

Sees Equity Stock Purchases as Buying Power Increases and Consumer Goods Diminish

In an interesting circular entitled "What's Ahead?" Price, McNeal & Co., 165 Broadway, New York City, concludes from a survey of trends that investment in non-callable common stocks of companies of an essential nature for long-term holding may be a wise move.

The difficulties now standing in the way of decisions regarding investment policies are many and confusing, the firm declares, but if the proper conception of fundamentals is reached one can deduce therefrom and arrive at important decisions. "Reflecting upon recent developments," the circular states, "we find that the public was surprised at what has happened, but that was due to the fact that no distinction was made between current and former conditions. . .

"The experiences of 1914, the post-war period of 1919-1921, and the boom and collapse of the late '20s are vivid recollections. It is important, therefore, to check thoroughly underlying conditions and trends in order to determine where they differ from those of former periods. The changes have been amazing and they will play a significant part in the immediate future."

Recent reports disclose a reduction in the public's outstanding indebtedness and a tremendous increase in "disposable in-come," Price, McNeal & Co. states, and if the present trend continues the result will be a steady increase in the buying power of the public; as these funds increase and the supply of manufactured goods diminishes, the public is most likely to turn to securities and real estate to satisfy the urge to keep its funds working, with equity stocks becoming more and more popular as the trend further develops and inflation is recognized.

"The basis for a merchandise boom after the end of this war is far broader than after the First World War," Price, McNeal & Co. "During World War I there were few restrictions on manufactured goods and none at all on automobiles, household equipment, etc., still a merchandise boom followed.

"The question naturally arises assets in the hands of the public as to whether or not the high government debt would militate against individual spending at the end of this war. Should the Government build up a debt of say \$200,000,000,000, bearing interest at 21/2%, the interest charges annually would be about \$5,000,000 --000. Some issues carry a lower rate of interest. Taxes are paid quarterly and the quarterly charge should not be burdensome. on the books at the end of 1929

"With a scarcity of merchandise, and in view of the necessity goods of all descriptions. Cash and wait it out."

Royal Bank of Scotland

Incorporated by Royal Charter 1727

HEAD OFFICE-Edinburgh Branches throughout Scotland

LONDON OFFICES:

3 Bishopsgate, E. C. 2 8 West Smithfield, E. C. 1 49 Charing Cross, S. W. 1 Burlington Gardens, W. 1 64 New Bond Street, W. 1

> TOTAL ASSETS £98,263,226

Associated Banks: Williams Deacon's Bank, Ltd. Glyn Mills & Co.

Australia and New Zealand

BANK OF **NEW SOUTH WALES** (ESTABLISHED 1817)

 Paid-Up Capital
 £8,780,000

 Reserve Fund
 6,150,000

 Reserve Liability of Prop.
 8,780,000

£23,710,000 ggregate Assets 30th Sept., 1941 _____£150,939,354 Aggregate

SIR ALFRED DAVIDSON, K.B.E., General Manager Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea and Loudon, it offers the most complete and efficient banking service to investors traders and travellers interested in these

LONDON OFFICES: 29 Threadneedle Street, E. C. 47 Berkeley Square, W. 1 Agency arrangements with Banks throughout the U.S. A.

NATIONAL BANK of EGYPT

Head Office Cairo Commercial Register No. 1 Catro

FULLY PAID CAPITAL . £3,000,000 RESERVE FUND

LONDON AGENCY 6 and 7 King William Street, E. C.

Branches in all the principal Towns in EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED

Bankers to the Government in Kenya Colony and Uganda Head Office: 26, Bishopsgate, London, E. C.

Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar

Subscribed Capital ___£4,000,000 Paid-Up Capital £2,000,000
Reserve Fund £2,200,000 The Bank conducts every description of banking and exchange business

Trusteeships and Executorships also undertaken

are likely to be sufficient to permit paying cash, and if restrictions on installment buying are Checks will be mailed. lifted the purchasing power will be augmented.

"One important development has been a change in the political complexion of our national gov-ernment. The last election, the subsequent actions of Congress and the elimination of many of Muskogee Co.; H. H. Robertdreamers from positions in Wash- son; and common stock of Cor-

of rehabilitating most of the consideration, it looks as though members of the New York and world, it seems reasonable to look it will be a wise move to invest Philadelphia Stock Exchanges. forward to an immediate demand in non-callable common stocks of Copies of these circulars may be for machines, automobiles and companies of an essential nature had from Buckley Brothers upon

DIVIDEND NOTICES

Atlas Corporation

Dividend No. 27 on 6% Preferred Stock

Notice is Hereby Given that a dividend of 75e per share for the quarter ending May 31, 1943, has been declared on the 6% Preferred Stock of Atlas Corporation, payable June 1, 1943, to holders of such stock of record at the close of business May 14, 1943.

WALTER A. PETERSON, Treasurer April 29, 1943.



be mailed.

Borden's COMMON DIVIDEND

No. 133 An interim dividend of thirty cents (30c) per share has been declared on the outstanding common stock of this Company, payable June 1, 1943, to stockholders of record at the close of business May 15, 1943. Checks will

> The Borden Company E. L. NOETZEL, Treasurer

EATON MANUFACTURING COMPANY Cleveland, Ohio



DIVIDEND NO. 73 The Board of Directors

of Eaton Manufacturing Company has declared a dividend of Seventy-five Cents (75c) per share on the outstanding common stock of the Company, payable May 25, 1943, to shareholders of record at the close of business May 10, 1943.

April 28, 1943

H. C. STUESSY, Secretary - Treasurer



ELEVATOR COMPANY

PREFERRED DIVIDEND No. 178 COMMON DIVIDEND No. 142 A quarterly dividend of \$1.50 per share on the Preferred Stock and a dividend of 20¢ per share on the no par value Common Stock have been declared, payable June 21, 1943, to stockholders of record at the close of business on May 25,

Checks will be mailed.

C. A. SANFORD, Treasurer New York, April 28, 1943.



The Board of Directors of the

STANDARD OIL COMPANY

(Incorporated in New Jersey)

has this day declared the following dividends on the capital stock, payable on June 15, 1943, to stockholders of record at close of business, twelve o'clock, Noon, May 15; 1943;

50¢ per share; and

Extra cash dividend of 50¢ per share.

A. C. MINTON, Secretary

Attractive Situations

Preferred and common stock ington would indicate the country nell Dubilier offer interesting is returning to conservative prac- possibilities according to circulars issued by Buckley Brothers, 1529 "Taking all of these trends into Walnut Street, Philadelphia, Pa., request.

NY Title and Mtg. Ctfs. Series C-2 Interesting

Seligman, Lubetkin & Co., Incorporated, 41 Broad Street, New York City, have prepared an analysis of series C-2 first mortgage certificates, originally issued and guaranteed by New York Title and Mortgage Company.

Copies of this analysis may be had from Seligman, Lubetkin & Co. upon request.

Helmuth With Otis & Co.

MILWAUKEE, WIS .- Paul M. Helmuth has become associated with Otis & Co., whose main office is located in the Terminal Tower, Cleveland, Ohio. Helmuth was formerly with Mason, Moran & Co. and the Milwaukee Company.

Says Moscow Plans To Dominate Poland

William Henry Chamberlin, former Moscow correspondent of The Christian Science Monitor, said on April 29, according to New Haven advices to the New York "Times" that the rupture between Russia and the Polish Government in Exile indicated the Soviet would not tolerate any regime in Eastern Europe that would not take orders from Moscow. It is added in the advices that in an address on Soviet foreign policy at Yale University Mr. Chamberlin said Russought frontiers including Eastern Poland, Latvia, Lithuania, Estonia, Bessarabia and Northern Bukovina.

NOTICE TO BONDHOLDERS To The Holders Of First Mortgage 31/2% and 4% Gold Bonds of the BOSTON TERMINAL COMPANY,

NOW IN REORGANIZATION: The undersigned have organized as a Committee to act in the interest of the holders of the above bonds and to solicit the deposit of such bonds under a Bondholders' Deposit Agreement, pursuant to authority of the Interstate Commerce Commission.

The Committee solicits deposits from all the holders of bonds of the Boston Terminal Company, large and small. No plan of reorganization has as yet been prepared or filed by the Committee. It is the purpose of the Committee to promote and secure a plan for the reorganization of the Boston Terminal Company which will fairly and fully protect the interests of the bondholders.

Persons desiring to deposit their bonds with the Committee or to obtain further information concerning the Committee and its plans should communicate with Tracy R. Engle, Secretary, 63 Wall Street, New York, N. Y.

FRANK & GONNET 39 Broadway, New York, N. Y. TYLER & REYNOLDS One Court Street. Boston, Mass., Counsel

Frederic P. Radcliffe Tracy R. Engle Edward F. Swenson ston, Mass., Counsel Pierre R. Bretey
The Public National Bank and Trust Company of New York
37 Broad Street, New York, N. Y., Depositary

Bernhard Benson, Chairman

To the Holders of

Tennessee Coal, Iron & Railroad Company

General Mortgage 5% Gold Bonds Due July 1, 1951

The undersigned hereby offers to purchase on or before July 1, 1943, for retirement, any and all of the above described bonds at 125% of their principal amount, (or \$1,250. for each \$1,000. bond,) together with interest thereon at the coupon rate to July 1, 1943.

Said bonds should be presented at the office of United States Steel Corporation, Fiscal Agent, Room 1606, 71 Broadway, New York, N. Y., with coupons due July 1, 1943, and all subsequent coupons thereto attached, accompanied (unless the owner be a domestic corporation,) by Federal income tax ownership certificates with respect to the said July 1, 1943, installment of interest. Bonds so presented which are registered must be accompanied by proper instruments of assignment and transfer duly executed in blank.

Since bonds so presented will be surrendered to the company for retirement, no Federal transfer tax will be incurred.

This offer expires July 1, 1943.

Tennessee Coal, Iron & Railroad Company By C. R. SEXTON, Treasurer.

Birmingham, Alabama, April 30, 1943

Real Estate Securities

(Continued from page 1660) was over \$12,000 higher than that of 1941. It should take very little additional rental of space or increase in rental to make up this small difference of \$9,000.

At the current offering price a yield of over 12% is obtainable. Assuming we use 6% of this for interest return and amortize our cost with the other 6%, it will bring our cost of the bonds down to 31% by 1946. If at that time the bonds are only able to pay 4%, they will still show a very high yield at their amortized cost. and there is always the hope that rental conditions may continue to become better as they have in the past year, and the interest rate of 5% can be maintained. It must also be kept in mind that in addition to 5% interest currently payable 1% per annum additional is payable in amortization. It would seem reasonable to expect a continuation of these payments through May, 1946.

All in all, the intrinsic value of these first mortgage certificates would indicate a good speculation at current market prices.

Notice of Redemption of all

OMMERCIAL INVESTMENT RUST CORPORATION

Convertible Preference Stock \$4.25 Series of 1935.

NOTICE is hereby given that COMMERCIAL IN-VESTMENT TRUST COMPORATION has, by due corporate action, called for redemption on June 30, 1943, all of the shares of its Convertible Preference Stock, \$4.25 Series of

Certificates for the above-mentioned shares will be accepted for redemption at The Chase National Bank of the City of New York, Corporate Agency Department, 11-Broad Street, New York City, upon due surrender at any time after April 30, 1943 and prior to the close of business on June 30, 1943, at \$110.00 per share plus an amount equivalent to see per share plus an amount equivalent to accrued dividends at the quarterly rate of \$1.0625 per share from April 1, 1943 to the date of redemption.

Conversion Privilege

Conversion Privilege

Convertible Preference Stock, \$4.25 Series of 1935 may, at the option of the holder, be converted at any time until the close of business on June 30, 1943, into shares of the fully paid and non-assessable Common Stock of the Corporation, as such Common Stock shall be constituted at the time of such conversion. The conversion rate is 1½ shares of Common Stock for each share of Convertible Preference Stock, \$4,25 Series of 1935, without any adjustment with respect to dividends. Certificates should be presented, duly endorsed or accompanied by proper instrument of transfer.

cates should be presented, duly endorsed or accompanied by proper instrument of transfer, to the Corporation at the Central Hanover Bank and Trust Company, 70 Broadway, New York City, Transfer Agent for the Corporation's Common Stock, or at The Chase National Bank of the City of New York, Stock Transfer Department, 11 Broad Street, New York City, Transfer Agent for the Convertible Preference Stock, \$4.25 Series of 1935.

Every holder of Convertible Preference Stock, \$4.25 Series of 1935 who has not exercised his conversion right prior to the close of business on June 30, 1943 is called upon to surrender to the Corporation, at The Chase National Bank of the City of New York, Corporate Agency Department, 11 Broad Street, New York City, his certificate or certificates representing all of his shares of such stock. From and after this date (unless default shall be made by the Corporation in payment of the made by the Corporation in payment of the redemption price), all dividends on such shares shall cease to accrue and all rights of the holders thereof as stockholders of the Corporashall not be deemed to be outstanding for any purpose whatsoever.

Comment on Conversion

The quoted closing market price of the Common Stock, on April 23, 1943 was \$37.375 per share. Therefore, a stockholder who converts Convertible Preference Stock, \$4.25 Series of 1935, into Common Stock at this level would receive 1½ shares of Common Stock with a market price of \$56.0625, as compared with the cash redemption price of \$110, per share plus accrued dividends. In order for the market price of the 1½ shares of Common Stock to be equivalent to the cash redemption price of the Convertible Preference Stock, \$4.25 Series of 1935, the market price of the Common Stock would have to be in excess of \$73. per share.

By order of the Board of Directors:

By order of the Board of Directors:

S. B. ECKER, Secretary COMMERCIAL INVESTMENT TRUST CORPORATION

Dated: April 30, 1943.



Dominion of Canada All Issues

Bought-Sold-Quoted

Wood, Gundy & Co.

Incorporated

14 Wall Street, New York Bell System Teletype NY 1-920

Canadian Securities

By BRUCE WILLIAMS

A clearcut picture of what has happened to Canadian corporations in the matter of production, profits and taxes since the beginning of the war is available from a recent "Financial Post" survey. Although comparative figures on wartime increases in wages and prices are tactfully omitted from the study, it is obvious from the data that stockholders in Canada are facing a somewhat similar situation to the one confronting the owners of industry in this coun-

Starting at the top of the "combined" income statement for the 127 Canadian corporations covered in the survey, we find that production in 1942 rose 102.3% over the 1939 figure. But taxes were up 330.2%, while net profits were down 2.6% and dividends paid to stockholders were down 3.0%. National income during this three-year period rose 63.0%.

These various items are tabulated by the "Financial Post" as

> NET PROFITS DROP BEHIND 1942 Against 1941

| | | 20 |
|-----------------|------|-------|
| Net profits | down | 3.5 |
| Dividends | up | 2.0 |
| Taxes | up | 20.9 |
| National income | up | 15.4 |
| Production | up | 34.2 |
| 1942 Against 1 | 939 | |
| Net profits | down | 2.6 |
| Dividends | down | 3.6 |
| Taxes | **** | 220 |
| 1axes | up | 330.7 |
| National income | up | 63.0 |

Taxes and profits based on "Post" study of 127 companies; production and dividends based on December indexes.

What the survey does not mention is that the cost of living in Canada since the outbreak of war in 1939 has risen 16%. Thus, the position of the stockholder in the national economy has suffered considerably more than the net decline of 3.0% in dividends received would indicate. Not only has the stockholder failed to participate in the sharply increased lowing tabulation:

national income, but the purchasing power of his 1942 dividends amounts to only about 83%, of the purchasing power his 1939 dividends had.

However, before we commence feeling sorry for the Canadian stockholder it might be well to consider the situation in this country. Although Canada has been at war almost three times as long as we have, the cost of living here has advanced nearly twice as much as it has north of the border. This means a corresponding decline in the purchasing power of the American stockholder's dividend dollar. By comparison, the Canadian stockholder has much to be thankful for.

As might be expected, earnings and dividend records of the 12 major industry groups repsented in the survey cover a wide range. Four of the groups, iron and steel, merchandising, pulp and paper, and textiles, showed gains in net profits last year over 1939. The largest gain was in the depressed pulp and paper industry, an increase of 82.7%. The iron and steel industry was in second place with a gain of 23.5%, while merchandising and textiles showed gains of 22.9% and 3.3% respectively. Eight groups reported losses ranging from 0.2% for public utilities to 29.9% for oil refining companies.

Year-by-year comparisons for each group are given in the fol-

SUMMARY OF TAX AND PROFIT CHANGES

| | | -Taxes | | | Net Profit: | 5 | |
|------------------------|-----------|-----------|-----------|-----------|-------------|-----------|----|
| | 1942 over | 1942 over | |
| Banks | + 28.7 | + 29.3 | + 102.5 | 5.5 | - 5.7 | -11.1 | |
| Beverages | | + 13.0 | + 387.0 | 5.5 | +17.8 | - 0.6 | 13 |
| Construction | + 35.5 | + 86.5 | + 403.7 | + 5.9 | + 22.4 | - 2.1 | |
| Foodstuffs | + 69.4 | +129.5 | + 271.4 | + 12.1 | + 13.4 | 15.2 | |
| Iron and Steel | + 52.8 | + 187.6 | +893.5 | + 0.1 | +18.4 | + 23.5 | |
| Merchandising | +125.5 | +266.2 | +652.4 | + 2.0 | +14.1 | + 22.9 | |
| Metals | | + 37.8 | +272.3 | - 4.6 | + 4.8 | - 3.5 | |
| Miscellaneous | + 27.1 | +113.3 | +293.9 | - 8.7 | - 2.0 | - 6.4 | |
| Oil refining | | + 32.6 | + 155.4 | - 8.1 | -18.5 | -29.9 | r |
| Public utilities | + 41.2 | + 95.3 | +288.0 | + 3.6 | + 10.2 | - 9.2. | |
| Pulp and paper | | + 1.3 | +682.8 | -15.8 | - 4.7 | +82.7 | |
| Textiles | + 36.3 | +139.1 | +626.7 | - 2.2 | +23.2 | + 3.3 | |
| Totals, 127 companies_ | + 20.9 | + 77.6 | +330.2 | - 3.5 | + 3.3 | 2.6 | |

Railroad Securities Donald A. Stutson Dies

(Continued from page 1661) lieved to represent amounts due from the Government for trans-The receivportation services. ables were just about sufficient to cover all current liabilities, including accrued taxes.

There was a wide increase in earnings in the first quarter and even without any further yearto-year gains during the rest of the year the company would be able to report more than \$40,000,-000 available for charges in 1943 Actually there should be between \$47,000,000 and \$50,000,000 available this year. If this is so, the company should end the year with net cash or equivalent in excess of the present market value of its entire non-equipment debt. It is little wonder that rail men are enthusiastic over the outlook for Seaboard bonds when such re- uing debt reduction.

Donald A. Stutson, representative of Greene & Brock, Dayton, Ohio, investment dealers, unexpectedly at the age of 54. Mr. Stutson entered the investment business in 1919 with the National City Bank of New York. In 1933 he joined the firm of Greene & Brock.

W. E. Moss Dead

William E. Moss of W. E. Moss & Co., Detroit, Mich., member of the Detroit Stock Exchange and the last of the seven founders of the Detroit Exchange, died at the age of 82 while on a business trip to Boston. Mr. Moss had conducted his own investment business since 1895.

sources may be used for contin-

ABA To Present Stabilization Plan

(Continued from page 1658)

countries."

Mr. Hemingway also undertook to discuss the banking situation in the United States and the Government's drives for raising funds incident to the expenditures for war activities.

As to the part our country "must play in the post-war pe-Mr. Hemingway had the following to say:

"However much we may differ among ourselves as to methods, I assure you that we are unani-

that we believe will do the most The crystallization of public opinto restore the nations of the world to a sound economy in which men and women of our own country, and all others as well, will have the greatest opportunity that has the war. ever come to them to achieve happiness.

"As a young country, we have we have at least the advantage of

gation that rests upon us in a way be needed to perfect our plans. ion in our own country will be necessary and, of course, many interchanges of views must be had with nations allied with us in

"Already, the English plan of Lord Keynes and the American plan of Mr. White have been pubnot the experience that many of lished and are being studied. In the older creditor countries ac- a country where freedom of quired through the centuries, but thought and of speech are still permitted, there will naturally be the energy and the courage that comes with youth. We will make mistakes, of course, but I am sure that they will be in the administration of our plans, which will plan. Our committees are already improve with time, and not with improve with time, and not with at work, and I feel sure that after mous in the determination that the large program. No doubt a careful investigation of the we shall discharge the great obli- many months, perhaps years, will various angles of the subject, a

program will be suggested that will add much to the study of this subject because, after all, it is a matter upon which bankers are In time the blueprints will be finished, and a strong foundation will be laid on which can be erected in the years to come a structure designed to carry forward international trade and well-being.

"On one thing I think I may say we are already in unanimous agreement, and that is that the reestablished currencies of the world must be firmly fastened to gold. To you in a country where the free gold market has long been maintained, it must be reassuring to hear that banking opinion in the United States is determined that gold must be the foundation on which any plan for cooperative effort to restore world trade must rest.

"In this connection, I want to congratulate your country on its maintenance of a free market for foreign exchange without import quotas and other restrictions on trade during a period when more and more countries were following the opposite course.

"Of course, no plan of cur-rency stabilization can be maintained in the long run in the face prohibitive trade barriers which make it impossible for importing countries to sell their own products in sufficient quantities to pay for what they buy. However, am happy to point to the policy that was advanced under the able and farsighted leadership of our present Secretary of State, Cordell Hull, whose Reciprocal Trade Agreements program shows the world that we are sincere in trying to do our part to promote the free flow of trade. The trade agreement recently arranged with Mexico marked the twenty-fifth such trade treaty concluded, and I am satisfied that as time passes and we see the benefits flowing to both countries from it this program will be extended.

"It is my firm conviction that the establishment of peace based upon the principle that a revival of the trade of the world is necessary for the well-being of its people will usher in a period of great development. Supported by a sound financial system, science and industry will enable mankind to earn the greatest reward it has ever secured in return for its labor-and in this bright future Mexico and the United States will go forward to great destinies together."

DEALER BRIEFS

(Continued from page 1659) tax, are commanding the highest prices ever experienced.—John E. Roth, Weil, Roth & Irving Company.

As a result of the capital gains, clause in the Income Tax Law, an entirely new emphasis is being placed on long-term capital gains. Wealthy men keep 20% of their business profits, dividends and taxable bond interest but retain 75% of profits in securities held over six months. We are constantly searching for this type of investment .- Irvin F. Westheimer, Westheimer & Company.

Toledo, Ohio

Following several months of speculative activity, we are experiencing an increasing pressure from our clients for suggestions not only for the investment of new money, but for constructive help in analyzing and rearranging established portfolios. Seemingly, we are assuming a greater degree of professional responsibility toward our clients than ever before. In an effort to meet this responsibility, we are expanding our personal consultation facilities, as well as of the higher type bonds was our factual and mechanical serv- noted with American Telephone & ices .- Harry E. Collin, Collin, Nor- Telegraph Company 3s pushing ton & Co.

Our Reporter's Report

(Continued from first page) 3.20%, suggesting that the highgrade market is still strong and vigorous underneath.

Specials and Secondaries

Further indication of reviving activity among underwriting firms, many of whose personnel had been furloughed to the local Victory Bond Committee for the campaign, is seen in the quickening of secondary and special offerings.

The largest of these came on Tuesday, when Blyth & Co. sponsored a secondary offering of 85,000 shares of Chesapeake & Ohio Railway common stock at 45 with a commission of 75 cents a share to dealers. Quick oversubscription was reported.

Yesterday brought another big secondary operation when E. F. Hutton & Company placed on the market blocks of 60,000 shares of common and 20,000 shares of preferred stock of the Twentieth Century-Fox Film Corp.

Appreciative of Cooperation

Investment bankers back at their desks after weeks of intensive sales effort for the recent war loan were unstinting in their praise of the cooperation which they received from various de-partments at the Federal Reserve Bank.

Set on doing a real job on their own, they found their task made considerably easier by the readiness of all hands to pitch in and roll the sales total for this area far past the original goal which had been set.

They came away convinced that, if cooperation in helping to raise the funds needed by the Treasury to prosecute the war effort, is one of the elements needed to assure victory, then Washington count fully on receiving it.

Rail Debt Retirement

Following through on steady drive on the part of the railroads to apply current large earnings toward reducing their bonded indebtedness New York Central and the Great Northern registered real progress in the past week.

Both roads acted to slash the total of near-term obligations faeing them. Great Northern announced a call for payment on July 1, next, of \$18,000,000 of its general convertible 4% series G bonds, due in 1946.

New York Central came through the following day with a call for \$28,100,000 of its secured 3s, due in 1941. Accordingly, upon payment of the foregoing, New York Central will have paid off the last of \$40,000,000 of the issue which it floated in 1938, and will be free of important maturities until 1952.

Idle Funds Press Market

The seasoned bond market gave evidence of considerable in the way of idle investment money seeking opportunities. True the vast bulk of activity in the list market still ran to that type of descriptions which take their cue from the outlook for earnings rather than money rates.

In other words, secondary rails, and medium-priced utility and industrial issues were in active demand, with rails as a group continuing to show the way.

But stirring of activity in some ahead on a sizeable turnover.

THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD COMPANY

Howard S. Palmer, James Lee Loomis, Henry B. Sawyer, Trustees

Treasury Department

New Haven, Connecticut April 28, 1943

NOTICE TO HOLDERS OF CERTAIN BONDS AND DEBENTURES OF THE

Pursuant to authority of the United States District Court for the District of Connecticut under Court Order No. 694, and subject to the terms, conditions and reservations contained in that Order, funds will be available on and after MAY 8, 1943, for the payment of interest for the periods and upon the issues shown below, to holders of record APRIL 28, 1943:

PAYABLE AT IRVING TRUST CO., ONE WALL ST., N. Y. Amount per Coupons to be Paid \$1,000 bond Dated N.Y.N.H.&H.R.R. 41/2s 1st & Ref. 12/1/67 1, 1939 thru Dec. 1, 1940 \$67.50 1, 1939 thru Nov. 1, 1940 1, 1940 thru Jan. 1, 1941 4s 5/ 1/56 4s 7/ 1/55 60.00 Nov. 60.00

1, 1940 thru Jan. 1, 1941 52.50 31/28 1/ 1/56 (Tax Free) 6s 1/15/48
4s 3/1/47
3½s 3/1/47
4s 7/1/54 (Tax Free)
4s 1/1/55 (Tax Free)
4s 1/1/56 (Tax Free) Jan. 15, 1940 thru Jan. 15, 1941 90.00 1, 1940 thru Mar. 1, 1941 1, 1940 thru Mar. 1, 1941 1, 1940 thru Jan. 1, 1941 60.00 Mar. 52.50 Consolidated Ry. 4s Jan. 60.00 60.00 Jan. 1, 1940 thru Jan. 1, 1941 1/56 (Tax Free) 1/55 (Tax Free) 1, 1940 thru Jan. 1, 1941 60.00 Jan. April 1, 1940 thru April 1, 1941 April 1, 1940 thru April 1, 1941 N.Y.N.H.&H.R.R.31/28 4/ 1/54 (Tax Free)

(Scrip Certificates must be forwarded direct to Treasurer, 71 Meadow Street, New Haven, Conn.)

#N.Y.N.H.&H.R.R. *6s 4/1/40

Payments to be made April 1, 1942 thru April 1, 1943

AND PAYMENT OF \$45.00 per \$1,000 ON PRINCIPAL *Bonds both registered and bearer form must be presented to Irving Trust Company, One Wall Street, New York City, for stamping of payments when collected.

Provision was made pursuant to authority under Court Order No. 692, dated April 7, 1943, for the payment of interest to MAY 1, 1943, to holders of record APRIL 20, 1943, on the following obligations:

PAYABLE AT IRVING TRUST CO., ONE WALL ST., N. Y. Amount per \$1,000 bond Coupons to be Paid

N.Y.N.H.&H.R.R. -H.R.&Pt.Ch. 4s 5/ 1/54 (Tax Free)

THAT IS REQUIRED.

1 May 1, 1943

\$20.00 PAYABLE AT SECOND NATIONAL BANK, NEW HAVEN

May 1, 1943 Naugatuck R.R. 4s 5/ 1/54 (Tax Free)

PAYABLE AT CITY BK. FARM. TR. CO., N. Y. Payments to be made #Housatonic R.R. ** 5s 11/1/37 May 1, 1943

**Bonds both registered and bearer form must be presented to City Bank Farmers Trust Company, 22 William Street, New York City, for stamping of payment when collected. COUPONS MUST BE COLLECTED THROUGH THE REGULAR BANKING CHANNELS AT

interest authorized to be paid. #EXCLUSIVE OF THESE ISSUES. When presenting coupons—OWNERSHIP CERTIFICATES FORMS 1000 and 1001 FOR THE TAX FREE ISSUES ONLY. ONE CERTIFICATE TO COVER THE ENTIRE PAYMENT IS ALL

> A. W. BOWMAN. Treasurer



SERVING NEW YORK AND THE GREAT INDUSTRIAL STATES OF MASSACHUSETTS RHODE ISLAND AND CONNECTICUT IN WAR AND PEACE

Says Post-War Inflation Bond Club Of Toledo Can Be Avoided

(Continued from page 1663) lines of America will be gushing forth such a huge quantity of the instruments and necessities of war that Washington probably will be able to order selective curtailments. Already the peak of production in such make-ready industries as machine tools and special machinery has passed, and the construction of new plants cantonments has begun to slow down with notable effects on activity in the building industries.

"The manpower problem, of which we hear so much, is not, I believe as bad as advertised because of the labor that can be shifted from finished jobs to tasks still in progress. We are approaching the peak of war production bois, Stranahan, Harris & Co.; in our major industries. We are Celian Rorick, Spitzer, Rorick & not far from the time when it will Co.; William Milne, Otis & Co.; no longer be necessary to shift men from civilian industries to Co. war plants, and when it will be possible-if we plan as we should -to begin to shift labor and facilities back to the manufacture of civilian goods and to the farms.

"By the time we are finally finished with this sorry business of Harris & Co.; Edward F. Heydinslaughter and destruction, we should be well on our way toward an almost normal rate of consumers' goods production. By six months after the final peace, we ought to be fairly well converted. Following such a plan, I surmise, we might take a year or two to reconvert without upsetting our price economy.

"There should be relatively littransitional unemployment. The Government would be called upon to pay only small unemployment benefits. No expensive public works of a luxury nature should be necessary. Consumption goods should be plentiful enough to be cheap. There would be no buyers' panic to meet de-Irresponsible ferred demands. Irresponsible theories about the inevitability of inflation would cease to flourish. Industry would remain prosperous. The Government would not lose such a large portion of excess profits taxes collected during the war because of the operation of the carryback exemption privilege now provided in a just and equitable revenue law. Thus, the war could cost fewer dollars, and the transition would be less expensive for some 30,000,000 income taxpayers.

"By the time the deferred demand for consumption goods is fairly well caught up, we will be ready for a building boom which should extend the period of good business. Happily, we now know more about sound residential real estate financing; and there are millions of new families to be established. There is no reason why our standard of housing cannot be improved as well as our standard of living generally."

Pay On Medellin 7s

The Guaranty Trust Co. of New York, successor to the National Bank of Commerce in New York, as trustee under Municipality of Medellin, Republic of Colombia, instrument of mortgage and pledge dated Dec. 21, 1926, is prepared to distribute at its Corporate Trust Department, 140 Broadway, New York, \$24.40 on each \$35 coupon and \$12.20 on each \$17.50 coupon due Dec. 1, 1931, and \$21.30 on each \$35 coupon and a great opportunity but a very \$10.65 on each \$17.50 coupon due serious duty lies before the Amer-June 1, 1932, detached from the ican banker. His task is to as-25-year external 7% secured gold bonds of 1926, due Dec. 1, 1951, issued thereunder. This distribution is being made from funds in the release account and from funds constituting a balance of what formerly was the special re- to be confused and perhaps defserve fund held by the fiscal initely disturbed international fiagent, Hallgarten & Co.

TOLEDO, Ohio-The Bond Club the yield of our war plant is ex- of Toledo announces the election ceeding all expectations. Before of the following new officers and the end of this year, the assembly the appointment of the Club's standing committees:

President: George A. Roose-

Siler, Roose & Co. Vice President: Warren D. Williams, Ryan, Sutherland & Co. Secretary: E. P. Liska, Braun,

Bosworth & Co. Treasurer: Orville W. Desmond, Stranahan, Harris & Co.

The Board of Governors for the current fiscal year, in addition to the present officers, are E. M. Bancroft, Stranahan, Harris & Co., Oscar R. Foster, Snyder, Wilson & Co., Calvin M. Yeasting, Ford R. Weber & Co.

Entertainment Committee: Arthur Tresch, Chairman, Braun, Bosworth & Co.; Durwood C. Du-Burt T. Ryan, Ryan, Sutherland &

Finance Committee: E. M. Carstensen, Chairman, Ryan, Sutherland & Co.; Marvin Rorick, Spitz-er, Rorick & Co.; Erwin J. Ward, Siler, Roose & Co.

Legislation Committee: Robert S. Mikesell, Chairman, Stranahan, ger, Siler, Roose & Co.; Carl F Bargmann, Braun, Bosworth & Co.

Membership Committee: Oliver Goshia, Chairman, Collins, Norton & Co.; Ralph M. Winters; Hazen S. Arnold, Braun, Bosworth & Co.

Speakers & Publicity Committee: Franklin L. Schroeder, Chairman, Braun, Bosworth & Co.; Ford R. Weber, Ford R. Weber & Co.; John F. Norton, Fahey, Clark &

Announces Officers

eral Reserve System, is capable of establishing the dollar as a world standard of value, a sound money in which the world may confidently trade and to which the currencies of the world may look for a stabilizing influence.

Mexico Suspends Right Of Public Assembly

The right of free public assembly was suspended in Mexico beginning May 2, according to a special dispatch from Mexico City to the New York "Times," which further stated:

A communique published today says that the authorities must be asked 24 hours in advance for permission to hold a meeting. The reason ascribed for the order is to prevent "groups in opposition to the National Government from provoking disturbances and discord."

The real reason, according to opposition political circles, is to prevent meetings in favor of independent candidates, that is, persons chosen by parties other than government supported ones in the forthcoming elections for members of the Federal Chamber of

123 South Broad Street, Philadigest of the plan for the distribu- Place, New York.

leadership of American private tion of certain assets of U. G. I. enterprise, in harmony with the views of the Government and digest may be had upon request hand in hand with the great Fed-from E. W. & R. C. Miller & Co. The firm is also calling attention to the fact that the plan provides for the distribution of 1/12th of a share of Public Service Corporation of New Jersey common and 1/3rd of a share of Philadelphia Electric new common for each share of U. G. I. common. In order to avoid the necessity of buying or selling these small fractions, E. W. & R. C. Miller recommends that holdings U. G. I. common be adjusted to amounts evenly divisable by 12 which will save both the investor and the brokers a great deal of

Time Extended For Exchanging Panama Arrears Certificates

Jose A. Sosa J., Minister of Finance and Treasury of the Republic of Panama, is notifying holders of Republic of Panama arrears certificates issued pursuant to the service readjustment plan dated Nov. 23, 1933, that the time within which arrears certificates may be exchanged for Republic of Panama 3% external sinking fund bonds due May 1, 1987, under the offer of the Republic of Panama published on May 1, 1941, has been extended from May 1,

Fractional Distribution
Of Stock in U. G. I. Plan

1943 to May 1, 1944.

Copies of the offer and the required form of letter of transmit-E. W. & R. C. Miller & Co., tal may be obtained from the fiscal agent, The National City Bank delphia, Pa., members of the Philadelphia Stock Exchange, have prepared an interesting agency department, 20 Exchange

Payment On Sao Paulo 8s

The City Bank Farmers Trust Co., New York, has received funds to apply to payment of the May 1941 coupons of City of Sao Paulo, United States of Brazil, external 30-year 8% secured sinking fund gold bonds of 1922, due March 1, 1952, at the rate of 16.25% of the dollar face amount of the coupons. Accordingly, payment of \$6.50 per \$40 coupon and \$3.25 per \$20 coupon will be made at the offices of the bank, 22 William Street, New York.

Insurance Stocks Attractive

The current situation in Amer-The current situation in American Equitable Assurance Company, Massachusetts Bonding & Insurance Company, Pacific Fire Insurance Company, United States Fire Insurance Company, and Westchester Fire Insurance Company offer attractive possibilities, according to memoranda just issued by Mackubin, Legg & Co., 22 Light Street, Baltimore, Md., members of the New York and Baltimore Stock Exchanges. Copies of these interesting memoranda may be had upon request from the Insurance Stocks Department of Mackubin, Legg

George H. Weeks Dead

George Hemmingway Weeks, an associate of Nathan C. Fay & Co., investment securities firm, Portland, Me., died at the age of 74 after a brief illness. Mr. Weeks was the first Democratic Mayor of South Portland, and was former Vice-President and Treasurer of the old Fidelity Trust Co.

International Currency

(Continued from page 1659) wherever such is necessary, we can supply the world not only with a medium of exchange but with an honest money, a standard of value to which the world's currencies may be anchored. Furthermore, we can give the world a storehouse for wealth that it sorely needs. We cannot stabilize foreign currencies but we can give them the means of stabilizing their own currencies and encourage them to do so.

I think that every effort should be made to help England to reestablish the pound sterling. From the time of Queen Elizabeth up to the early part of this century, it was a sound money and a standard of value. Almost all the currencies of the world were anchored to it, and not only this, but the Ninety-Day Sight Draft on London was actually legal tender in a great many countries of the world. It was a storehouse of wealth, and through the performance of these functions it was a stabilizing influence of tremendous value. This influence can gradually be re-established, particularly in the markets that are closely tied to Britain.

In most of the areas of the world the dollar has already become the most highly accredited standard of value. The world believes in the dollar. In the first place, because it believes in American gold reserves and in the great resources and economic strength of America, and in the second place because it believes in American credit.

All this means that not only in accordance with a plan which he should work out with our Government and with the Federal Reserve Bank.

The alternative would appear nancial and trade conditions. The This is an announcement end is not to be construed as an offer to sell or as a solicitation of an offer to buy the securities herein mentioned. The offering is made only by the Offering Circular.

\$5,200,000

Chesapeake and Ohio Railway Equipment Trust of 1943

13/4% Serial Equipment Trust Certificates (PHILADELPHIA PLAN)

To be due annually \$520,000 on each May 1, 1944 to 1953, inclusive

To be guaranteed unconditionally as to principal and dividends by endorsement by The Chesapeake and Ohio Railway Company.

These Certificates are to be issued under an Agreement to be dated as of May 1, 1943 which will provide for the issuance of \$5,200,000 par amount of Certificates to be secured by new standard-gauge rolling stock, estimated to cost approximately \$6,577,037.

MATURITIES AND YIELDS

| 1944 | 0.80% | 1947 | 1.45% | 1951 | 1.95% |
|------|-------|------|-------|------|-------|
| 1945 | 1.05 | 1948 | 1.60 | 1952 | 2.00 |
| 1946 | 1.25 | 1949 | 1.75 | 1953 | 2.05 |
| | | 1950 | 1.85 | | |

Issuance and sale of these Certificates are subject to approval by the Interstate Commerce Commission. The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the understand as are registered dealers and are offering these securities in compliance with the securities law in such State.

HALSEY, STUART & CO. INC.

OTIS & CO. L. F. ROTHSCHILD & CO. CENTRAL REPUBLIC COMPANY

EDWARD LOWBER STOKES & CO.

F. S. YANTIS & CO.

To be dated May 1, 1943. Principal and semi-annual dividends (November 1 and May 1) payable in New York City, Definitive Certificates in coupon form in the denomination of \$1,000, registerable as to principal. Not redeemable prior to maturity. These Certificates are offered for delivery when, as and if received by us. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

MOORE, LEONARD & LYNCH

Establishment Of "Free Dollar" Urged As **Alternative To Treasury And Keynes Proposals**

(Continued from first page)

tant step towards the establish- monetary stabilization even more vocated has already been taken first World War. long the power of the President to devalue the dollar further," and he added that "through a re-Agreements Act we now have an opportunity to give tangible proof to the rest of the world that we downward revisions in trade bar-

The address of Mr. Aldrich follows in full:

"The end of the war will give rise to innumerable problems of an economic character, many of which doubtless will prove quite as difficult to solve as those of a strategic character which are now giving concern to our military and naval staffs. One of the most difficult of all economic problems and one which will press for immediate solution is that of monetary stabilization.

"Problems of monetary stabilization arise from each major war. That this is generally true is illustrated in the case of England during the Napoleonic period, of our own country following the Civil War, and of practically every neutral and belligerent nation following the close of the first World War. The reathat such problems arise is that war financing needs are not met entirely from taxation or from the sale of bonds to investors. To a greater or less extent, war-time deficits are met of international loans, and to prothrough currency or credit infla- vide a means for influencing and tion. In consequence of the polfollowed, post-war prob-of monetary stabilization, from an internal point of view, involve the checking of inflation tion of abnormal war balances. and the balancing of budgets, and from an external point of view, the resumption of gold payments controls. Both internal and exstabilization must take place before business men can make future plans relative to production and trade, before people can save with assurance, and before normal international trade and capital exports can be resumed.

"After the first World War, the problem of monetary stabiliza-tion was handled separately by each nation. In certain instances. nations were able to stabilize their currencies without the assistance of foreign credits, while, in other instances, nations were able to stabilize their currencies only after assurance had been received that foreign credits would be granted, or only after such credits had actually been extended. The United States was the first nation, in June, 1919, to resume gold redemption, and for several years thereafter the dollar was the only important currency that afforded stability in international exchange. Following the debacle of the mark, Germany established new currency in 1924, Great policy. Britain returned to gold in 1925, and France effected a de facto stabilization of her currency in Britain returned to gold at prewar parities, Germany was forced the gold value of the "Unitas" to reconstruct her currency and banking systems, and France suffered a substantial depreciation than does the British plan. Alin her currency. About eight though the British plan fixes the years elapsed after the close of gold value of the "Bancor" inthe last war before the curren- itially, it suggests that later cies of all of the leading belligerent powers had been reconstituted.

"The total character of the present war, involving a huge rise in internal debts, a marked vertibility. reliance on the expansion of

ment of such a currency as he ad- difficult than it proved after the In the case of by Congress in its refusal to pro- our own country, the difficulties of the problem are further increased by the monetary and fiscal policies which were followed newal of the Reciprocal Trade during the eight years preceding our entrance into the second World War. I refer to the abandonment of the gold standard, the are prepared to make further devaluation of the dollar, the purchases of silver, and the increase in the public debt, which in combination tended to impair the financial strength of the United

"The magnitude and urgent character of the problem of monetary stabilization have received emphasis in two plans recently issued on the subject. The one proposed by the United States Treasury in preliminary draft outline calls for the establishment of a United and Associated Nations Stabilization Fund, and the other, proposed by a group of British experts, also in tentative form, calls for the establishment of an International Clearing Union. While I shall not have time to make an extended examination of these two plans, I should like to point out their general purpose, their similarities and differences

"The avowed objective of each plan is to establish an international currency having general acceptability, to stabilize exchange rates, to provide a mechanism for the clearing of international transactions and for the granting controlling the financial and economic policies of member nations. In addition, the American plan suggests a method for the liquida-

"The two proposals contemplate an overall stabilization of the exchange rates of the memand the elimination of foreign ber countries. In this way it is hoped that the time required for exchange stabilization after this war may be considerably less than that required after the last In the American plan, the war. Fund itself will fix exchange rates, whereas in the British plan, member nations will agree to a tentative stabilization of their currencies, prior to the establishment of the Clearing Union. Each plan makes provision for alterations in exchange rates. In the British plan, an adverse balance of payments leads almost automatically to a depreciation of the currency of the nation in question.

> "The fact that both proposals give recognition to the importance of the external stabilization of currencies represents in itself a marked advance over the attitude of our own Government at the London Economic Conference in 1933. It also represents a marked advance over the doctrines of many economists of the decade in the '30s, which held that external stabilization was an undesirable goal of monetary

"In order to effect the external stabilization of currencies, each plan provides for a new interna-1926. The United States and Great tional unit that is to be related to The American plan fixes gold. permanently and gives gold a more central and significant role that alterations may not occur changes might have to be made and suggest further that nations should permit the exportation of gold only under license, and that it possessed immediately after nations should not return to a full drain on national income, a sharp gold standard with two-way con-

bank credit, a growth in abnor- credits to nations requiring such Implied in both plans is the esmal war balances, and the impo-sition of all-pervasive economic plan. In the American plan, al economic controls. In fact, Lord to be reached concerning the pos-

rencies of the borrowing nations economic government of the and in the British plan through world; might help finance postthe establishment of over-draft war relief, rehabilitation and recertain maximum limitations, excellent machinery for the encredit extensions in both plans forcement of financial blockades; apparently are to be made for in- might help finance international definite periods and at a very nominal charge. Also, up to certain amounts, they are to be extended on a semi-automatic basis, without emphasis on the credit worthiness of the borrowing na-

"An important difference in the two plans consists in the fact that American Fund would actually possess assets contributed eignty. on a pro-rata basis by member nations. The British Clearing Union would not possess assets at its organization but would allow member nations to build up credit or debt balances to certain prescribed limits and subject to certain conditions.

"Such in brief is the general outline of the two plans. It will be noted that they comprise three essentially different elements and, in this respect, they differ from the objectives and scope of the national stabilization funds that came into existence some ten The three elements years ago. are provision for the stabilization of currencies, provision for the extension of foreign credits, and provision for the influencing or controlling of the domestic financial and economic policies of member nations. It is questionable whether three such diverse objectives should be incorporated in one plan. For example, it would seem the better policy to separate the function of currency stabilization from that of foreign The credit extensions lending. to be granted under either the American or British plans would tend inevitably to become longterm in character, and credit extensions of this character should be handled by other agencies. The only loans that should properly be granted by an interna-tional stabilization fund, if one were to be established, would be those designed to eliminate seafluctuations in exchange rates. Longer-term credits should be handled by banking institutions of an investment character.

"In a general evaluation of these two proposals, several questions, it seems to me, must be borne in The first is whether, from a political point of view, nations are likely to subscribe to this method of handling the problem of monetary stabilization; second, whether, from an economic point of view, an overall stabilization of currencies can precede internal credit and monetary stabilization; and third, whether some alternative plan might not represent a more practical and realistic solution to the problem of postwar monetary stability.

"The first point to be considered in connection with an evaluation of the plans has to do with the willingness of nations to part with their sovereign rights to the extent contemplated. Both plans presuppose a considerable deof control over monetary and economic policies. Thus, in the American plan, nations are to maintain exchange rates established by the Fund and not to alter these rates without the consent of the Fund. Once exchange rates have been established, the British plan provides subsequently without the permission of the Governing Board. Again, in the American plan, each member nation agrees that it will offer to sell to the Fund all foreign exchange and gold that it acquires in excess of the amount joining the Fund, and each member nation agrees to discourage the unnecessary accumulation of "Provision for the extension of loreign balances by its nationals.

Although subject to construction; might provide an commodity control projects; might be associated with a Board for International Investment and might be used to maintain stability of prices and to control the trade cycle. The first question then that would have to be considered in the current discussions in Washington has to do with all aspects of the problem of sover-

> "In addition to those difficult problems involving sovereign rights, nations must of necessity give careful consideration to certain economic implications of the two plans. A fundamental point is whether an overall external stabilization of currencies can be effected before internal stabilization has taken place. In the past. internal stabilization has been regarded as the prerequisite for the stabilization of the foreign exchanges. The sequence has been from the balancing of internal budgets and the checking of inflation, the removal of price and rationing controls and the reintroduction of some form of the gold standard to the stabilization of foreign exchange rates. Only by following such policies can the internal purchasing power of a currency be determined, and only when the internal purchasing power is determined will it be possible to fix rates of foreign exchange.

"To be enduring, the stabilization of exchange rates must rest on the firm basis of sound internal fiscal and monetary policies. We cannot erect a monetary superstructure until we have built a firm base. The soundness of that base will depend upon our willingness to adopt appropriate internal measures of fiscal, credit. and monetary reform. An overall stabilization of exchange rates would seem to represent an unrealistic approach to the prob-Each nation must, as it did lem. after the last war, painfully retrace its steps to monetary stabil-The road back cannot be made easier by the establishment of a Stabilization Fund or Clearing Union. There is no short cut to currency stabilization.

"Still another question having to do with the economic implicatheir relationship to the problem of foreign exchange control. The question is whether the adoption of either the American or British proposals would help to eliminate foreign exchange controls on current account, or whether the plans, in actual operation, would tend to perpetuate such controls. Although it is the avowed objective of each plan to eliminate foreign exchange controls on current account, I doubt if this would result in practice. It seems to me that both plans could function satisfactorily only if the foreign exchanges on current account control of the foreign exchanges something like this: on capital account. In the last 1. The Tunisian cap analysis, the two plans might tend to perpetuate those very controls hard fighting. over the foreign exchanges and trade, which it is their avowed purpose to eliminate.

"By way of summary, an evaluation of the two plans must consider both their political and economic aspects. From a political point of view, nations will have to decide whether and to what extent they wish their financial sumably will launch attacks at the and economic policies to be subject to international control, whether and to what extent they wish the decisions of international boards to be substituted for the controls, makes the problem of credit extensions are to be made Keynes suggests that his plan sibility of stabilizing foreign ex- American air forces.

through the purchase of the cur- might form the basis of a future change rates before internal inflation is checked, and concerning the bearing of either plan on foreign exchange and trade controls.

> "In conclusion I would like to suggest as an alternative to the two plans proposed in tentative form by the American and British experts that a free dollar be established in the post-war world. At the end of the war, this country can render its greatest contribution to world recovery by checking domestic inflationary forces, by resuming gold payments, and by removing all for-eign exchange controls. If these policies were followed, the dollar would constitute a sure anchorage for the currencies of other nations and would become a generally acceptable international medium of exchange. All international transactions, including those of a bilateral or multilateral character, including the exportation or importation of goods, including short- or long-term capital movements, could be cleared on the basis of a dollar freely redeemable in gold and freed of foreign exchange controls. An important step towards the establishment of such a currency has already been taken by Congress in its refusal to prolong the power of the President to devalue the dollar further. The assumption of international financial responsibilities means that we must be prepared to make corresponding adjustments in our trade policies. Through a renewal of the Reciprocal Trade Agreements Act we now have an opportunity to give tangible proof to the rest of the world that we are prepared to make further downward revisions in trade barriers. The reintroduction of a fully functioning gold standard and continued adherence to liberal trade policies will make an important contribution to post-war economic recovery and will combine to put into practical operation the principles of the Atlantic Charter.'

Allied Victory In 1944 Predicted

Allied observers, in London, who are in a position to know agreed on May 3 with Henri Honore Giraud that the European war will end in an Allied victory in 1944, said Harrison Salisbury, United Press Staff Correspondent, tions of the two plans concerns in a dispatch from London on May 3, who added:

They were willing to concede that there is a possibility of the European campaign reaching a climax by autumn, but almost universally believed there is not a chance that it can be concluded this year.

In Algiers, General Giraud told French labor leaders in an informal speech that "we have every reason to hope that the war will end next year.

Obviously, only a handful of men know what is in store for Hitler, but a canvass of opinion were controlled as completely and finds a general agreement that fully as is contemplated for the events should follow a pattern

> 1. The Tunisian campaign should be cleared up in another month of

> 2. By late May or early June, it is likely that new, heavy battles will begin on the Russian front with the Germans and Russians both racing to gain the strategic initiative.

> 3. As soon as the Tunisian fighting is completed, the Allies pre-Axis underbelly with speculation centering on Sicily, Sardinia, Crete, Italy and the Balkans.

4. The next six weeks should, free competitive forces of the unless bad weather intervenes, market place. From an economic show a constant increase in the

Calendar of New Security Flotations

OFFERINGS

SYLVANIA ELECTRIC PRODUCTS, INC.

Sylvania Electric Products, Inc., has filed a registration statement for 175,000 shares common stock, without par value, suband other factors.

Address-500 Fifth Ave., New York City, Business-Prior to the development of its present wartime production manufactured ind sold to the public electric incandescent lamps, radio tubes, fluorescent lamps and fixtures and other electronic products. At the end of 1942 about 85% of its products were going directly or indirectly into the

Offering-Price to the public will be supplied by amendment.

Underwriting—Paine, Webber, Jackson & Curtis; White, Weld & Co.; Lee Higginson Corp.; Estabrook & Co.; Merrill Lynch, Pierce, Fenner & Beane; Putnam & Co.;

Pierce, Fenner & Beane; Putnam & Co.; Graham, Parsons & Co.; Whiting, Weeks & Stubbs, Inc.; Brush, Slocumb & Co.; Yarnall & Co.; Minsch, Monell & Co.; Mackubin, Legg & Co.; Stein Bros. & Boyce; Herbert W. Schaefer & Co.; Van Alstyne & Co., and Wyeth & Co.

Proceeds—Upon issuance of the common steek common plans to call for re-

mon stock company plans to call for redemption on 30 days' notice all of the outstanding 4½% cumulative convertible

preferred stock, at the redemption price of \$46 per share, plus accrued dividends. At the cose of business March 23, 1943, there were outstanding 80,032 shares of preferred subject to redemption. The preferred is convertible at the option of the holders into common stock at any time up to the close of business on the third business day prior to the redemption date.

Ontil the expiration of conversion rights
the company states it is impossible to tell
now much preferred will remain unconverted to receive the redemption price. Any balance of net proceeds not required for the redemption, so far as deemed ad-visable by the management, will be added to working capital with the expectation that it will be used upon and after termination of the war to meet conversion to a peacetime basis. Any proceeds not required for redemption and not added to working capital will be applied toward the purchase or redemption of a part of the company's outstanding 31/4 % sinking fund-debentures due June 1, 1957.

Registration Statement No. 2-5122. Form

Offered May 4, 1943, at \$26 per share by Paine, Webber, Jackson & Curtis, White, Weld & Co., Lee Higginson Corp., Esta-brook & Co., Merrill Lynch, Pierce, Fenner & Beane and Putnam & Co.

following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain toreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

TUESDAY, MAY 11

STANDARD STEEL SPRING CO. Standard Steel Spring Co. has filed a registration statement for 218,962 shares of common stock, par value \$1 per share, and subscription warrants evidencing sub-scription rights in respect of such shares of common stock.

Address-843 Fourth Ave., Coraopolis,

Pennsylvania.

Business—In 1941, prior to the entry of this country into the war, the principal products of the company and its wholly-owned subsidiary, included steel automobile, truck and tractor leaf springs, automobile and truck bumpers, steel gratings and tractic units and assemblies. and treads, universal joints and assemblies, propeller shafts, steel spring parts, etc. Company now processes and fabricates armor plate, produces bomb bodies and has recently undertaken on a small scale plating

the plating of certain aircraft parts.
Underwriting—Kuhn, Loeb & Co.
named principal underwriter. Names other underwriters will be supplied by

Offering—Holders of common stock of record 3 p. m. May 13, 1943, are to be offered rights to subscribe to the new common stock at the rate of one-fifth of a share for each share of common held, at a price to be supplied by amendment. rights will expire at 3 p. m. May 24, 1943. Unsubscribed stock will be purchased by the underwriters and offered to the public

at a price to be named by amendment.

Proceeds—Net proceeds from the sale of
the securities will be added to the working capital of the company. The company determine at a later date to apply of the net proceeds to the prepayment of all or part of a long term bank note due in instalments to Dec. 15, 1951. Un-paid balance as of April 15, 1943, was

Registration Statement No. 2-5127. Form A-2 (4-22-43)

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 175,000 shares of Keystone Custodian Fund full certificates of participation, Series

Address—50 Congress St., Boston, Mass. Business—Investment trust.

Offering—At market within two weeks after effective date of registration state-

ment.
Underwriting—Keystone Custodian Funds,

Proceeds-For investment Registration Statement No. 2-5128. Form

C-1 (4-22-43). KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 25,000 shares of Keystone Custodian Fund full certificates of participation, Series "K 2".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.
Offering—At market within two weeks
after effective date of registration state-

Underwriting-Keystone Custodian Funds,

Proceeds—For investment.

Registration Statement No. 2-5129. Form C-1 (4-22-43).

KEYSTONE CUSTODIAN FUNDS, INC. Keystone Custodian Funds, Inc., has filed a registration statement for 75,000 shares of Keystone Custodian Fund full certifi-

cates of participation, Series "S 3".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.

Offering—At market within two weeks
after effective date of registration state-

Underwriting-Keystone Custodian Funds,

Inc., is named sponsor.

Proceeds—For investment.

Registration Statement No. 2-5130. Form

·C-1 (4-22-43).

SUNDAY, MAY 16

TRUST FUNDS, INC. Trust Funds, Inc., has filed a registra-tion statement for 2,500 certificates of Commonwealth Fund, Indentures of Trust

Plans A and B.

Address—30 Congress St., Boston, Mass.

Business—Investment trust.

Underwriting—Trust Funds, Inc., is named

Offering — Aggregate offering price is given as \$3,000,000. Proposed public offerng is on date registration becomes effec

Proceeds—For investment.

Registration Statement No. 2-5131. Form

MONDAY, MAY 17

C-1 (4-27-43).

John Morrell & Co. have filed a registration statement for \$7,500,000 15-year debentures, due May 1, 1958. The interest rate will be supplied by amendment.

Address—Ottumwa, Iowa.

Business—Engaged in the meat packing and provision business.

underwriting—A. G. Becker & Co., Inc., Chicago; The First Boston Corp.; Lehman Brothers; Smith, Barney & Co.; Hallgarten & Co.; Ladenburg, Thalmann & Co.; Merrill Lynch, Pierce, Fenner & Beane, New York; Central Republic Co.: Harris, Hall & Co., Inc.; Lee Higginson Corp., Chicago; The Wisconsin Co., Milwaukee, and Kuhn, Loeb Co., New York. Offering—Price to the public to be fur-nished by amendment.

ished by amendment.

Proceds—Net proceeds will be used to prepay the 134 note, due 1944, in the ace amount of \$2,500,000, and to prepay the 2% notes, maturing scrially to 1948, in the face amount of \$2,850,000, requiring in the aggregate for such prepayments, exclusive of interest, the sum of \$5,384,750. The remainder of net proceeds will be used by the company to carry additional receivables and inventories and larger bank balances, to reduce the necessity for current borrowings, and to pay current liab

Registration Statement No. 2-5132. Form A-2 (4-28-43)

TUESDAY, MAY 18

ARMOUR & CO OF DELEWARE
Armour & Co. of Delaware has filed a registration statement for \$35,000,000 35ue April 1, 1978.

Address—43rd Street and Racine Ave.

Union Stock Yards, Chicago, Ill.
Business—Engaged in meat Business—Engaged in meat packing business, operating packing plants in North and South America for the slaugther of livestock and the processing of meats and animal products and for by-products. In conjunction with their meat packing operations, company and subsidiaries manu-facture butter and cheese and various other products.

Underwriting-Kuhn, Loeb & Co., New York, head the underwriting group. Others to be supplied by amendment.

to be supplied by amendment.

Offering—Company offers to the holders of its outstanding 523,581 shares of 7% guaranteed cumulative preferred stock of the par value of \$100 per share, the right to exchange such shares for the debentures on the basis of \$100 face amount of debentures for each share of preferred stock held, subject, if the total number of shares of preferred stock deposited for exchange would require more than the entire issue of debentures, to allotment of the debentures by the company. The debentures not taken upon the exchange offer have been underwritten and will be offered to the public at a price to be fixed by amendment. price to be fixed by amendment.

Proceeds—Company intends to apply the May net proceeds of the debentures not taken more in exchange pursuant to the exchange Co.

offer, with any other funds in the treas-ury which may be necessary, to the re-demption of a par amount of 7% guaranteed cumulative preferred stock of the company which, with the shares acquired pursuant to the exchange offer, will retire \$35,000,000 par amount of such preferred

Registration Statement No. 2-5134. Form 4-2 (4-29-43).

DATES OF OFFERING UNDETERMINED

we present below a list of issues whose registration statements were filed tuenty days or more ago, but whose offering dates have not been determined or are unknown to us.

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common no par value

ss-120 South La Salle Street, Chi-

Business-Company is engaged in the building material business. Underwriting-There are no underwrit-

Offering—The 75,000 shares of common will be offered by the company at \$10.50 per share only to a selected group constring of employees of the company, including officers and directors and those erving in a professional or advisory apacity and a limited group of persons taving long standing business relations with the company to be selected by the poard of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of com non stock, a substantial group of key employees of the company including cer-ain officers and directors, joined in the ain officers and directors, joined in the cormation of a syndicate with a view to the purchase of a large block of outtanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to stock of the company then proposed to saue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of \$10.50 per share. The syndicate her

of \$10.50 per share. The syndicate has cormed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43)

A-2 (3-24-43).

Amendment filed April 28, 1943, to defer

effective date. CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no

Offering-(See Celotex statement No 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common

Purpose-To form voting trust. Registration Statement No. 2-5113. Form

F-1 (3-24-43).

Amendment filed April 28, 1943, to defer effective date.

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. has filed a statement with the SEC for 242,664 shares of common stock, without nominal or par value. The stock is already issued and outstanding.

Address—900 Fannin St., Houston, Tex

Business—Operating public utility.

Offering—Price to the public to be supplied by amendment.

Underwriting—The shares to be offered are owned by National Power & Light Co Statement which was filed by Houstor -The shares to be offered says that latter has been advised by Na tional that no firm commitment to pur chase the securities registered has been made.

made.

Proceeds—Proceeds from sales will go to National Power & Light Co. The proposed sale is part of the program of National to liquidate in compliance with an order of the Securities and Exchange Commission. As part of this program National proposed to divest itself of its entire holdings of Houston common through the exchange of its holdings of Houston common for its own \$6 preferred on basis of two of its findings of Houston common for its own \$6 preferred on basis of two shares of Houston common for one share of National preferred. The total amount of Houston common offered was 500,000 shares, of which 257,336 shares were accepted in exchange to Dec. 31, 1942, termination of the offer. The stock being registered represents the balance of National's holdings after the termination. tional's holdings after the termination of the exchange offer.

Registration Statement No. 2-5117. Form A-2 (3-30-43). Amendment filed April 16, 1943, to defer

effective date.

Bids—National Power & Light Co. on
April 28, 1943, asked for bids to be opened
May 10, 1943, on 242,664 shares of common stock of Houston Lighting & Power

Registration statement effective 5:30 p. m. (EWT) on April 26, 1943, as of 5:30 p. m. (EWT) on April 18, 1943.

INTERNATIONAL MINERALS &

CHEMICAL CORP.
International Minerals & Chemical Corp. has filed a registration statement for 184, 861 stock purchase warrants and 184,861 shares of common stock, par value \$5 per

Address-20 North Wacker Drive, Chic Business—Engaged, directly or through subsidiaries, in the mining and sale of phosphate rock and preparation and sale of complete or mixed fertilizers

Underwriters—Hornblower & Weeks and Hallgarten & Co. may be deemed to be underwriters as defined in the Securities Act of 1933.

Offering-A total of 150,000 stock purchase warrants are to be offered to the public at prices to be fixed by amendment. If the balance of 34,862 stock purchase warrants are offered the terms will be supplied by post-effective amendment. All of the present outstanding stock purchase warrants of the company were originally acquired by the First York Corp

originally acquired by the First York Corp. Hornblower & Weeks and Hallgarten & Co. purchased 25,000 of the stock purchase warrants from First York Corp. and have the right to purchase additional warrants.

Proceeds—The company will not receive any of the proceeds of the stock purchase warrants being offered, but will receive 38.125 per share for each share of common stock, if any, sold through exercise of stock purchase warrants. Any proceeds received by the company will be added to the working capital.

added to the working capital.

Registration Statement No. 2-5124. Form

PUBLIC SERVICE CO. OF INDIANA, INC. Public Service Co. of Indiana, Inc., has filed a registration statement for \$38,-000,000 first mortgage bonds, series E. 31/4%, due May 1, 1973.

Address—110 North Illinois Street, In-

dianapolis, Ind.

Business—Public utility operating in the state of Indiana and is engaged principally in the production, generation, manufacture purchase, transmission, supply, distribu-tion and sale of electric energy and gas and in the supply, distribution and sale of water.

Offering—Bonds to be offered for sale at competitive bidding under Rule U-56 of the Commission. Price to the public will be supplied by post-effective amend

Underwriters-Names and amounts of underwriting will be sup-

lied by post-effective amendment

Proceeds—To be applied toward demption, within 40 days after the issuance and sale of series E bonds, of \$38,000,000 face amount of Public Service Coof Indiana, first mortgage bonds, series A. 4%, due Sept. 1, 1969, at 106¼% of the face amount which will require \$40,375,000 exclusive of accrued interest and expenses any additional moneys will be paid out of other funds in the company's

Registration Statement No. 2-5123. Form

Registration Statement No. 2-5123. Form A-2 (4-7-43).

Registration statement effective 3 p. m. (EWT) on May 28, 1943.

Proposals will be received by the company at its office, Room 1534, Field Building, 135 So. La Salle St., Chicago, up to .2.00 o'clock noon (CWT) May 10, 1943.

YORK CORRUGATING CO. York Corrugating Co. has filed a statement with the SEC for 50,000 shares of common stock, \$1 par value. The stock s presently issued and outstanding and loes not represent new financing.

Address—Adams Street and Westerr
Maryland Railroad, York, Pa.

Business—Normal manufacturing facili-ties are primarily designed for pressed trawn and stamped metal products. About of the company's manufacturing facilities are now devoted to war produc-

Underwriting-Floyd D. Cerf Co., Chicago, is named principal underwriter.

Offering—Offering price to the public is 36.50 per share. Selling stockholders are Western National Bank of York, Pa., as trustee under the Benjamin S. Taylor Trust 28,013 shares, and Dr. Charles P Rice, York, Pa., 30,750 shares.

Praceds—To selling stockholders.

Proceeds-To selling stockholders. Registration Statement No. 2-5118. Forn -2 (3-30-43).

(This list is incomplete this week)

Municipal News And notes

(Continued on page 1674) ice requirements of \$57,513 for the balance of 1943, which amount includes \$35,000 payment of principal." Winter Haven is said to have

current assessed valuation of \$11,739,856 and an estimated population in the tax-paying area of 12,000. Net bonded debt is reported at \$2,018,228. The city, it is said, is in the heart of the rich Polk County citrus section and has a total of 23 packing houses in and immediately adjacent to the city.

Mississippi State Highway **Bond Facts Reported**

With the retirement of \$1,124,-000 principal amount on Aug. 1, 1943, the State of Mississippi will have redeemed more than \$11,-000,000 of its highway bonded recently been traded at all-time debt since February, 1938, it is high levels.

pointed out by M. A. Saunders & Co., Memphis, Tenn., in a recently prepared pamphlet titled "Facts Concerning State of Mississippi Highway Bonds." The bonds are not general obligations of the State, but are payable from, and are a first lien on, the proceeds of a 6-cent per gallon gas tax. Total bond principal and interest charges on the highway debt for 1943, 1944 and 1945 are reported at \$1,939,788, \$3,851,384 and \$3,848,097, respectively.

Pointing out that the gas tax levy produced a yield of \$14,-126,183 in 1941 and \$13,065,940 in 1942, the circular observes that total debt service requirements for 1944 and 1945 are approximately \$3,850,000 per year. It thus appears, it is said, that the gas tax would have to decrease more than 72% from the 1941 collection, and more than 70% from the 1942 level before it would affect principal and interest requirements on outstanding bonds. In addition, an even greater decrease would be necessary before it would affect the interest charges alone.

As gas tax income for the first four months amounted to \$3,385, 910, it is estimated that the State's total income from that source for the year of 1943 should be in excess of \$10,150,000, which will be more than 2.6 times both principal and interest needs. The decline in collections for the first four months of 1943 as against the corresponding period of 1942 has been only 24% as against an anticipated decline of 35% to 40%, according to the circular, which contains a table showing the gasoline tax collections for each month since January, 1941.

Philadelphia Bond Exchange Offer Extended To Oct. 30

The Philadelphia, Pa., City Council adopted an ordinance on April 29 providing for extension to Oct. 30, 1943, of the bond exchange offer through the original nation-wide banking group headed by Drexel & Co., Philadelphia, and Lehman Bros., New York City, under which certain of the city's outstanding bonds, optional for redemption up to 1953, can be exchanged for refunding bonds of 1942. A total of 39 leading investment firms and banks are handling the program.

The offer has been in effect since Nov. 16, 1942, and was originally scheduled to have terminated on May 1, 1943. Coincident with the announcement of the extension, it was disclosed that over \$41,000,000 of the outstanding bonds eligible under the offer had already been tendered for exchange. In addition, the managers of the bond exchange group reported that bonds in all series, with the exception of series AA, which has been closed out, remain available for exchange under the plan.

Major Sales Scheduled

The calendar of future bond offerings of \$500,000 or more is restricted, at this writing, to an issue of \$686,614 Toledo, Ohio, refundings, bids on which will be opened May 18, instead of on May 11 as originally announced. Furthermore, all signs point to a continued dearth of activity in the new issue field. With the second war bond drive successfully concluded, an acceleration in trading activity is anticipated, accompanied by further improvement in the price structure. In this respect, it may be observed that the pessimism felt in the trade that the latest war bond drive would adversely affect list prices appears to have been largely unwarranted. Actually, the reverse was true in many instances and, in addition, bonds of various subdivisions have

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Our Reporter On 'Governments' Irving Gersten Partner J. L. Richmond Now

By S. F. PORTER

The big play in the market during the next few weeks should be in the new 2s of 1952/50.... Here's where the speculative interest is concentrated and here's where the best profit possibility should . The reasoning behind this statement—unusual in view of the fact that the longer-term 21/2s would be the natural issue to choose for buying and trading-may seem odd to you, but consider these points and then judge for yourself. . .

During this last campaign, the commercial banks were barred from buying the 2s until the last three days of the drive. . . Their oversubscriptions were tremendous, their allotments unquestionably will be small. . . . Smaller than on the 134s of 1948, no doubt, and those bonds now are selling at 100.20 against

an issue price of par. . . During the previous campaign, the commercial banks bought their 134s at the beginning of the drive and after their subscriptions were in the books on the 134s remained open for a fortnight. . . . Banks oversubscribed the 134s, received small allot-. But They were able to build up their positions through the simple step of asking a "friend" eligible to buy the 13/4s to "put in an allotment" for them and arranging to buy back that allotment at a 1/64 or 1/32 premium after the closing of the books. . . . An easy way to get around the restriction on bank purchases and undoubtedly a factor in the Treasury's decision to forbid bank buying of the 2s this time until the last three days. . .

So in December, when the books were closed, the banks didn't have to rush into the market and build up their positions of 13/4s to the extent that might have been indicated under different circum-. They bought the 13/4s, of course, but gradually. . 13/4s didn't really start up until mid-January, you will recall. . . The banks didn't recognize just ... ities until some weeks had passed.... The commercial banks do not different this time.... The commercial banks do not

have enough of the 2s... Their allotments totaled only 16%... They have excess cash they want to invest... They're finding out at this minute that their holdings of the 1952/50 2s aren't so satis-

It is logical for them to enter the market, bid up for the 2s and thereby give the major play to this shorter-term bond in the April basket. . .

THE MARKET'S REACTION

Experts believe, therefore, that the 2s will get the full benefit

of allotment deficiencies over the coming weeks.

They also point out that the average individual buyer naturally went for the $2\frac{1}{2}s$, that the supply of the $2\frac{1}{2}s$ is larger than the supply of the 2s. . . . And banks can't buy the $2\frac{1}{2}s$ anyway, so that issue can't get the benefit of demand from the biggest traders of all. . . .

As for premiums, well, as this is being written, the market still hasn't settled down enough to tell. . . . But chances are the 2s, starting out at about 1/4 point premium, will get up to 5/8 or 1/2 in a few weeks. . . . That's not so bad. . . . There's one rule that seems to be coming out of this situation. .

what you are after, concentrate on those primarily. . . .

NO LIQUIDATION

The tax-exempts are holding beautifully, have been throughout the last few weeks. . . . General feeling during the last week of the campaign was that we would see some selling of tax-exempts by institutions interested in playing the taxables for the short run. . . But this didn't develop on any worthwhile scale. . . . The exempts held up, continued to attract enough support to keep the price level 000,000,000, but three and one-half months later the working balance virtually unchanged. . . . Which is equivalent to a first-rate rise was down to \$1,700,000,000. . under the circumstances and considering the advance that had gone

There really hasn't been any liquidation to speak of in the market for some time. . . . And none seems to be coming out now. Of course there have been and are free riders around (and this writer, personally, is glad to see free riding come back, for it indicates widespread market interest, adds color to the market and re-

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de Saint-Phalle To Admit L. Liebenguth

Louis J. Liebenguth will become partner in de Saint-Phalle, van Heukelom & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, as of May 13. Mr. Liebenguth was formerly Manager of the foreign department of the New York office of Montgomery, Scott & Co. and prior thereto served in a similar capacity with Hallgarten & Co. de Saint-Phalle & Co.

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In Shepard, Scott Co.

Irving Gersten who has been associated with Shepard, Scott & Co., 44 Wall Street, New York City, for many years in charge of the trading department, has been admitted to general partnership in the firm, effective as of May 1.

Effect of Decisions of U. S. Supreme Court on Reorganization Rails

An interesting circular discussing the effect of the U.S. Supreme Court decisions on reorganization rail securities, with particular reference to the Chieago North Western Decision and what the cash means, has been prepared for distribution by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, memoers of the New York Stock Exchange. Copies of this circular nay be had from the firm upon request.

With Reynolds & Co.

James L. Richmond, formerly President of J. L. Richmond & Co., Inc., has become associated with Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading national Exchanges.

Clothing Stock Looks Good

An interesting descriptive circular on Fashion Park, Inc., which the firm believes offers attractive possibilities, has been prepared for distribution by Blauner, Simons & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from Blauner, Simons & Co. upon re-

flects confidence in the ability of the Treasury to put over a financing successfully). . . . And the free riders may cause some ups and downs in prices that otherwise wouldn't be understandable. . . . But that will be over soon, too, and the big point is that the market is steady and acting well following the largest borrowing operation in the history of the world. . . .

NOT UNTIL OCTOBER

For the time being, and during the next 30 days or so, we won't want to hear anything about another borrowing. . . . We've just finished with one, just left a three-week period of concentration on new issues that has no parallel in our financial history. . . . But con-

After this "tired out" feeling has gone, people will begin to think of the next time new issues will be available at par.

And after they've thought about that for a while, they will discover the next borrowing is going to be delayed because the Treasury has enough money to carry itself through the Summer.

And if August is passed over, September will be, too, for that's the month for income tax payments and Treasury policy surely would dictate a war loan campaign uninterrupted by an income tax date. . .

And that would mean October. . . .

There's one rule that seems to be coming out of this situation...

The major trading activity after a new financing may be anticipated in the securities that commercial banks can buy.... So if that's most observers recognize. .

The Treasury, incidentally, is running along at about a \$265,-000,000 deficit per day. . . . Expenditures for war purposes are running about \$255,000,000 over receipts, and for domestic purposes about \$10,000,000 over receipts. about \$10,000,000 over receipts. . . . In March, the month of \$4,700,-000,000 in tax receipts, the deficit mounted up to \$2,100,000,000, for war spending amounted to \$6,700,000,000. . . . At the end of last December the Treasury's working balance amounted to almost \$10,-

These figures mean simply this: the Treasury has to put over quarterly or semi-annual borrowings of this size and more if it is to pay for war expenditures. . . . The balance now is way over \$11,000,-000,000 and it will be even higher when all the figures are added in (maybe by several billions), but this money can last just so long. And that means another borrowing this year, no matter how we make out in the tax arguments. . . .

INSIDE THE MARKET

Tax note buying is going to continue despite the end of the drive, for several corporations are known to have worked out programs for month-to-month buying of these and instead of concentrating their purchases during April they insist they want to do it on a regular basis. . . Incidentally, buying of tax notes always picks up in the last few days of the month because the notes carry interest from the first of the month in which they are sold and corporations buying late have the double advantage of interest and use of their cash. .

Floating supply of municipal issues falling steadily, now one-half what it was at this time four weeks ago. . . . Taxexempt municipals still in heavy demand and will be in even heavier demand when tax talk starts again. . . .

For investment policy formula, read the New York State Bankers Association's bulletin to its members last week, advising banks to In the past he was a partner in place "hot money" in discount bills, to keep fully invested through this safe device, to go on from there with own policy. . . .

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The Business Man's Bookshelf

Counterattack! - Motorized America Geared to War-Myron M. Stearns-Automotive Safety Foundation, Washington, D. C .-

Economic Questions of Interest to the Americas-Resolutions of the First Plenary Meeting of the Permanent Council of American Associations of Commerce and Production—U. S. Committee to the Permanent Council of American Associations of Commerce and Production, 1615 H. Street, N. W., Washington, D. C .- paper.

Harold B. Koster Now With John Galbraith

PORTLAND, ORE.—Harold B. Koster has become associated with John Galbraith & Co., Porter Building. Mr. Koster was formerly with Russell, Hoppe, Stewart & Balfour for a number of Prior thereto he conducted his own investment business in Portland.

E. A. McQuade V.-P. Of First York Corp.

Edward A. McQuade, formerly Vice-President of Central National Corporation, has become Vice-President of First York Corporation, 50 Pine Street, New York

Ampco Metal Interesting

The current situation in Ampco Metal. Inc. offers interesting possibilities from a long-range standpoint according to a circular just issued by Ryan-Nichols & Co., 105 South La Salle Street. Copies of this attractive circular may be had from the firm upon request.

BUFFALO **GENERAL LAUNDRIES**

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The Commercial and FINANCIAL CHRONICLE

Volume 157 Number 4174

New York, N. Y., Thursday, May 6, 1943

Price 60 Cents a Copy

The Financial Situation

In all the post-war planning and discussion which has been flooding this and other countries for months past, one thought runs like a scarlet thread. It is that private industry must provide full and more or less continuous employment -that, and the added warning that if private industry fails to supply every man and woman who wants a job with work Government will. The next step usually is to estimate how many men and women will be seeking employment. More often than not there then follows an estimate of the "national income" required to reach the objective set forth. The discussion does not always end here, but all too frequently it runs its course before the participants have made it clear that they understand that they have fallen far short of complete analysis of the problem even in hypothetical terms.

The Heart Untouched

It is assumed in post-war plans, of course, that most of the men and women will be employed in peacetime pursuits, and that the "national income" will be derived from the production and distribution of peacetime goods and services, but not many analysts go very much further than that. Yet our wartime experience should have plainly suggested-if experience were necessary for the purpose—that estimates of the volume of employment or unemployment, and of "national income" leave the heart of peacetime economic with instructions to report instead problems quite untouched. For some years before the outbreak of war Germany was continually boasting that there was no unemployment within her borders, but no one even attempted to assert that the people of Germany were enjoying more of the necessaries or comforts of ordinary existence by reason of this full employment. Since the war started the people of that country have been more busily occupied than ever, but have been obliged to do without more and more of the good things of life.

In this country, at the present time, there is no unemployment. Indeed a rather drastic shortage of manpower exists or threatens, and our "national income" is at a figure never (Continued on page 1683)

Statesman Speaks

"Speaking, as I can only for myself, I am happy to outline briefly my present views:

(1) Corporate and individual income taxes cannot be increased. "(2) Reserves for post-war contingencies and for conversion to peacetime activities and for deferred maintenance and repairs, must be established and built up out of earnings during the war.

"(3) The present rate of tax upon capital gains may prove too high-certainly it should not be increased—and the greatest benefit of the special treatment of capital gains and losses lies in a certainty of their stability.

"(4) A system of encouraging the purchase of war bonds out of current earnings is preferable to a scheme of compulsory saving.

"(5) Our tax laws and policies should not be nullified by the imposition of taxes by uncontrolled administration under the guise of renegotiation or price fixing.

"(6) There are several potent mistakes which must be corrected, particularly in the excess-

profits tax and the post-war credit provisions. "(7) A reasonable pay-as-you-go plan for individuals should be adopted.

"(8) If we require greater revenues than the present laws will produce, they should be sought from new sources, and a general sales tax should

be considered. Walter F. George "(9) The non-war expenditures of our Government, both during and after the war, must be maintained at a mini

"(10) The excess profits tax should be repealed or greatly re duced promptly upon the cessation of hostilities

(11) The profits of industry should be taxed but once, and we must find a satisfactory substitute for the present system of taxing them as earned and again as they are distributed."—Senator Walter F. George.

It is not necessary to agree in detail with all the Senator's ideas about taxation to be thankful that the President was unable to purge him from public service.

House Adopts Compromise Pay-Go Tax Plan To Abate 75% Of 1942 Income Liability

The House on May 4 adopted a compromise pay-as-you-go income tax bill designed to put 90% of the nation's taxpayers on a ments of the basic liabilities will current collection basis this year and cancelling about \$7,500,000,000 of the 1942 tax liability. This measure, embodied in a bill sponsored by Representatives Robertson (Dem., Va.), and Forand (Dem., R. I.), would abate the 6% normal and 13% first-bracket surtax of the 1942 income of all taxpayers.

This would erase the 1942 liability completely for small taxpay-ers, about 90% of the total, and aries at a 20% rate on income exmean a substantial reduction for others.

Passage of this compromise proposal by a vote of 313 to 95, came after the House had defeated for the second time the Ruml skip-ayear tax plan. By the narrow margin of 206 to 202, the House rejected the bill by Representative Carlson (R., Kan.) embracing a modification of the Ruml plan, which would by-pass a full income-tax year with safeguards against large windfalls due to wartime spirals in income.

Administration - backed Doughton bill was recommitted to the Ways and Means group Robertson-Forand measure. The Doughton measure would tax 1942 personal income by the much easier 1941 rates and exemptions and amortize the reduced 1942 liability over a three-year period, while at the same time collecting taxes on current income. The abatement of 1942 taxes under this plan was estimated at 50%, or about \$5,000,000,000.

Achieving currency of tax payments for all taxpayers on the same basis through abatement of the basic tax liability (6% normal; 13% surtax) the Robertson-Forand plan would operate as follows, according to Washington advices to the New York "Journal of Commerce"

1. That part of the March 15 and June 15, 1943, tax installments which corresponds to the 19% basic liability would be treated as advance discharge of the 1943 basic liability. Any excess of 19% would be credited to 1942 tax payments.

2. Sept. 15 and Dec. 15 installments on the 1942 tax would be required only with respect to liabilities exceeding the basic 19%.
3. The basic 1942 liability would

be forgiven outright.

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Weekly Carloadings
Weekly Engineering Construction.
Paperboard Industry Statistics.
Weekly Lumber Movement.
Fertilizer Association Price Index.
Weekly Coal and Coke Output.
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4. Withholding at source would ceeding \$11 weekly for single persons; \$26 for a married person claiming the entire personal exemption as head of the family, with an additional \$8 for each dependent other than the first.

5. For income not subject to collection at source, current pay-

begin with the third quarter of 1943 on the basis of simple quarterly statements of income. These will permit the use of 1942 income as a presumptive basis where desired.

6. All liability above the basic 9% would be collected in the year following receipt of income as under existing law.

In its report the Democratic majority of the House Ways and Means Committee on May 1 said that there is sound reason for granting 50% tax relief but called

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Wider Powers To Ickes **Covering Solid Fuels**

President Roosevelt, in executive order issued April 23, extended Secretary of the Interior Ickes' powers over solid fuels.



Harold Ickes

The President's order e m p o w ered Secretary Ickes as Solid Fuels Administrator to issue "necessary policy and operating direc-tives" to the solid fuels industries "to assure for the prosecution of the war the conservation and most effective d e v elopment and utilization

of solid fuels." The order specifically directs that rationing authorities consult Secretary Ickes on any plans or proposals for ration of solid fuels and gave him the final voice after advising with the War Pro-

duction Board. "Solid fuels" are defined in the order as to include anthracite, and processed fuels, while "solid manly possible to do so."

fuels industries" are described as meaning "the development, production, preparation, treatment, processing, storage, shipment, receipt and distribution of solid fuels."

As Fuel Administrator, Ickes will take over from the War Production Board the distribution of machinery and other supplies among the solid fuels industry but the WPB will still determine the over-all amount which can be allocated for such

The Office of Price Administration is directed to consult with Secretary Ickes before fixing or changing any solid fuel price schedules.

Mr. Ickes said in a statement that he would "vigorously carry out a program in an effort to assure that we shall have adequate coal and other solid fuels to meet our tremendous wartime requirements.

"We cannot win this war without adequate coal," he continued. "It is the primary source of industrial energy and is essential to the health and welfare of the people.

"It is the responsibility of every person concerned in the coal supply-from the miner and the producer on down to the consumer-to do his full part in seeing that adequate coal is availbituminous, sub-bituminous and able to bring about the defeat of lignite coals, including packaged the enemy as soon as it is hu-

From Washington **Ahead Of The News**

By CARLISLE BARGERON

Among those things for which we are fighting to preserve in America, your correspondent prays that one of them is "crises. Without a crisis in our national life from time to time I can't imagine what I would do and I imagine there are millions more like me. Life would be tremendously dull. It would just be a case of living from

day to day, and notwithstanding that the New Deal made a great in the matter are of little imporplay about taking care of old peo- tance. It so happens that several ple, of giving them "security," I weeks ago, at a time when John have always thought that the bane L., the Giant, kept asking the of old people was "monotony." So mine operators to make him a the thing to give them is an oc- counter proposition and the opercasional crisis.

the matter of FD versus the giant, mise on the basis of the miners John L. or vice versa. The facts

ators remained adamant because Now, honestly, looking back on they though the order of the day it, would you have missed for was to lick John L., the Giant; anything in the world, the crisis at about this time Frances Perkins you have just passed through in stepped in and offered a compro-

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Editorial-

"Excess Purchasing Power"

By WILLIAM GARFIELD LIGHTBOWNE

In spite of the President's "hold-the-line" order, the battle against inflation is in grave danger of being lost unless Bank more of our citizens can be enlisted in the fight. Every breach in the line by one group is used as an excuse for demands by others. Scarcity creates a seller's market-for labor, for farm produce, for consumers' goods of every description—and in so doing it places tremendous and dangerous power in hands untrained to use it wisely. temptation to use this power to extort temporary and illusory benefits is overwhelming, especially on the part of those who, in their ignorance of economic processes, are prone to measure "benefits" in terms of money units whose value recedes in exact proportion to the rise of inflation.

Social discipline is thus undermined at the very time when the stern necessities of war are subjecting our demo-

cratic institutions to the severest strain.

This situation lays a heavy burden upon all who, by voice or pen, are in a position to influence public opinion. For the battle against inflation will be won or lost in the which held forth during the ranks of the millions of those with relatively small incomes, who yet receive, in the aggregate, by far the largest part of the national income. There are approximately fifty million families and independent earners in this group, and it is the increase in their purchasing power under war conditions, combined with the decrease in the supply of consumers' goods, that is creating the irresistible upward push March, 1942, according to an announcement by J. C. Capt, Dinouncement by J. C. Ca

Economic experts and responsible statesmen understand the dire necessity of draining off this "excess purchasing power" if we are to avoid inflation. But it would be too much, perhaps, to expect that the factory worker or garage mechanic whose income has jumped from \$30 a week to \$50 or more should be impressed by talk of "excess" purchasing power. The increasing cost of living, the long years of dearth during the depression, and the human desire to "make hay while the sun shines" would probably make him deaf to all warnings about inflation. And yet, unless we can get his willing and understanding cooperation, it is not likely that the present breed of politicians will dare to take the measures necessary to avert disaster.

Here then is reason, if no other existed, for making every effort, through payroll deductions and other plans, to stimulate the sale of war bonds among wage earners and others in the middle and lower income brackets. Every dollar so invested is a dollar diverted from the market for consumers' goods and made available for use during the inevitable period of readjustment when the war is over.

This is the surest and probably the only feasible way to enlist the willing cooperation of those whose cooperation we must have in order to stave off the evil day when, in spite of all our efforts, we may have to choose between the hideous N. Y. Repeals Law dangers of uncontrolled inflation and further restrictions on our cherished liberties.

Member of the staff of "The Commercial & Financial Chronicle."

The State Of Trade

able, with the retail trade showing up exceptionally well the past While the steel industry continues to hold at high levels of production, there are certain developments threatening that could cause quite a serious setback to production. In addition to a threatened curtailment of coke supplies through a coal strike that might yet develop, the steel industry ·

raw materials, according to the States was in the New England

"Iron Age."

The delay in opening the Great Lakes movement of iron ore because of the heavy winter is resulting in a severe drain on the closing down of numerous blast furnaces for repairs.

The scrap situation, as a consespotlight with renewed efforts for increased collections of metals.

dustry for the week ended April 24 totaled 3,925,175,000 kwh., an increase of 19.9% over the total of two years ago. 3,273,190,000 for the like 1942 period, according to figures released by the Edison Electric Institute.

The Pacific Coast area showed 24.9%. The smallest gain—there serve Board. were no losses-in the nine geo-

today is also facing a shortage of graphic regions of the United area, with 9.5%

Consolidated Edi York reports that output of electricity for the week ended April 25 was 174,000,000 kwh., against scrap piles. Another factor is the 141,900,000 for the like 1942 week.

Carloadings of revenue freight for the week ended April 24 totaled 794,194 cars, according to quence, may come back into the reports filed with the Association of American Railroads. This was an increase of 13,286 cars from Electrical energy distributed by the preceding week this year, the electric light and power in- 67,163 cars fewer than the corresponding week in 1942 and 72,567 cars above the same period

> This total was 121.95% of average loadings for the corresponding week of the 10 preceding years.

> country-wide basis were up 29%

Store sales were up 15% for profits.

four weeks ended April 24, compared with the like period a year

Department store trade in New York City in the week ended May was unchanged, compared with the corresponding 1942 week, according to the Federal Reserve

In the week ended April 24, sales of the same group of stores had shown an 18% rise above a year ago. In the four-week period ended April 24 they had been 8% above 1942 figures.

Department store dollar sales in New York City moved forward to a new April high last month, bettering business of the comparative 1942 period by 9%, according to an authoritative source. The lateness of Easter this year threw the bulk of the buying usually associated with this season of the year into April, whereas an earlier Easter in 1942 had centered such purchasing in March.

It is the belief that had it not been for the unseasonable weather greater part of the month, April sales undoubtedly would have risen to much higher levels.

Independent retail sales, based on reports from 19,663 stores representing most kinds of business except department stores, were rector of the Census. For the year to date, dollar volume was 12% larger than for the corresponding three months of 1942, and for March this year over the preceding month a 12% gain was noted.

Retail sales for the first quarter this year were at a record-breaking adjusted annual rate of \$63,-000,000,000, the Department of Commerce disclosed recently.

Sales of all retail stores in the nation for the first three months of 1943 aggregated \$:3,990,000,000, a gain of about 10% compared with the 1942 period.

March sales aggregated \$5,052, 000,000, compared with \$4,504,-000,000 in February, \$4,434,000,000 in January and \$4,474,000,000 in March last year.

Despite the large March total, the gain over February was less than seasonal and the Department's adjusted index fell to 160 for the month, from 170 in Feb-

Requiring Stamps On Stock Transfers

In signing on April 19 the Mitchell bill eliminating the requirement that stamps be affixed to all transferred stocks and securities, Gov. Thomas E. Dewey said the change will save the State between \$15,000 and \$20,000 and relieve brokers of the necessity of maintaining large stocks of stamps, paid for in advance. Under the new law, registered stock exchanges or affiliated clearing corporations may collect the tax, if permitted under the rules of the State Tax Commission. They will Tax Commission.

Stephens Investment Bills Approved

Governor include the Stephens bill authorizing the Banking Board to increase from \$25,000 to \$50,000 the limit on trust company investments of the net aggregate amount of any estate, trust or fund in a common trust fund, if the Federal Reserve Board of Governors agrees thereto.

crease their net deposit liabilities.

Private Housing As Against Public Housing In War Program Fared Better Than Anticipated

Mortgage Bankers Ass'n Report Shows Private Housing Has Done Principal Job

The war-housing program has now reached a point where private interests can accurately judge for themselves the importance of private housing's role as against public housing, and the record clearly shows that the former has done the principal job, conclusion of a report released May 1 by Charles A. Mullenix, President of the Mortgage Bankers Association of America.

The study was begun March 1 . by Mr. Mullenix to clear up some which will plague the real estate of what he termed the apparent market after the war and that it confusion existing in the minds of many private builders and mortgage bankers as to just how private interests were faring in the program. Some of them, he said, from available data had concluded that housing financed and built by Federal funds outnumbered that financed and built privately by a two-to-one ratio. The results of the study show, he said, that this is not an accurate pic-

A feature of the report is that about \$2,000,000,000 of Federal funds have been appropriated or alloted for public housing as against at least \$3,000,000,000 of private investment in the pro-

One of the policies disclosed in the report is the statement of John B. Blandford, Jr., Administrator, National Housing Agency, to Mr. Mullenix that "if the warhousing need in any locality is for family accommodations which can be permanently absorbed by the community, and if the private builders can meet necessary war requirements, then we schedule privately-financed construction.

"Thus private housing gets the first opportunity to do the job if the housing is permanent and if private builders can meet wartime requirements. But if only temporary housing is needed, housing built and financed with public funds will do the job," Mr.

Mullenix said. The Mullenix report includes a late recapitulation of figures compiled for him by the National Housing Agency and which show the present status of the warhousing program and which, Mr. Mullenix said, reflect the role private builders have played in the effort. It is further an-

nounced: "A total of \$1,964,439,303 has men on the Allied fighting fronts. been appropriated or allotted funds. In addition to direct appropriations by Congress this sum includes borrowings of \$55,000,000 by the Defense Homes Corp. and allotments of \$274,339,303 from borrowings made pursuant to the Housing Act, as amended. These funds are financing not only the public war-housing units thus far completed, but also all other public units now under construction.

'As against this program, however, privately financed war-housing completed or started, plus the private projects scheduled by the investment of at least plement upon the securities and to the official estimates supplied Mr. meet the needs of war labor Other measures approved by the migration before July 1 this year.

The report also discloses that in the publicly-financed phase of the program, 272,989 units had been completed as of Feb. 28, which includes 195,888 family units, 60,305 dormitory units and 16:796 trailers.

It is added:

"During the last six months of He also approved the Stephens 1942, of the war housing assigned bill forbidding industrial banks to to the Federal Public Housing Department store sales on a accept deposits which will in- Authority, 95% was temporary construction, 3% was demountable an increase of 32.6% over the like for the week ended April 24, com- as defined in Section 111, Subdi- and only 2% represented permaamount of permanent housing desire."

is also using, wherever possible, temporary housing that can be built as quickly as possible."

As a further indication of the temporary nature of the Federal Public Housing Authority's program, this agency is endeavoring where possible to place temporary projects on leased sites rather than purchasing land for them, says the report.

As to the remainder of the warhousing program, official figures secured by Mr. Mullenix show that there were 150,000 privatelyfinanced family dwelling units still to be started as of March 1 as against 130,000 publicly-financed units of all types.

Mr. Mullenix likewise says: 'The facts of the study tend to show that private war housing will fare better in the future than in the past. National Housing Agency Administrator Blandford's policy of encouraging private builders to do the housing job wherever possible is encouraging to private enterprise.'

In his report to the MBA members he said that what remains to be done now largely centers in individual communities where some local Federal housing officials who may be too "public housing-minded" might tend to recommend public housing projects when private projects are possible and in the public interest.

Churchill Praises American War Effort

Prime Minister Churchill of Great Britain has extended to American management and labor his "deepest appreciation" for their accomplishment in supplying materials of war to

The Prime Minister expressed since summer 1940 for Federal his thanks in a message read at war housing financed by public the annual banquet in New York of the Chamber of Commerce of the United States on April 29. Mr. Churchill's message, sent through Lord Halifax, British Ambassador, to Eric Johnston, President of the Chamber, fol-

> "Please allow me to extend to American management and labor my warmest and deepest appreciation of what it has accomplished since your last meeting in supplying materials of war to men on Allied fighting fronts.

"We asked for tools. You gave National Housing Agency under them to us. Without the constant the current program, represent an flow from your factories to supoutput, make the necessary certifications \$3,000,000,000, according to the could not have gained the remarkable victories of last six months. Mullenix. The present outlook is Without ships that you have built for additional war housing, both and are building on a prodigious privately and public-financed, to scale, the life-lines of civilization across the oceans of the world would have been worn thin, if indeed they had not snapped. All our future efforts to accomplish purposes of this righteous war against aggression and to bring it to a final decision at earliest moment depend upon faithful exertions of munitions plants and kindred industries of every description. These will assuredly be forthcoming in generous measure from all true friends of freedom and with them we may move forward together in comradeship and indeed in brotherhood through 1942 week, while the Southern pared with the like week a year vision 2 of the Banking Law, to nent housing. This indicates that overthrow of our embattled ene-States section was next with ago, according to the Federal Retal, surplus fund and undivided using public funds to build a large brighter age which is our heart's

The Financial Situation

(Continued from first page)

is likely to be more difficult to obtain before the year is out. ing, that the war has taught us how to end unemployment Many of the other things which we had grown to think of and promote quite successfully the more abundant life. as very nearly, if not quite, essential to our ordinary existence are not obtainable at all. We are being obliged daily to "tighten our belts" despite "full employment" and an unprecedented "national income." Evidently it is quite pos-full employment after the war really mean is that private sible for "full employment" and a huge "national income" to go hand in hand, not with a more abundant life, but to provide work for every man and woman who asks for it with privation.

It Can Happen In Peacetime

Let no one say it could not happen in peacetime. It did happen in peacetime in Germany. Indeed, it, or something very like it, happened in peacetime Russia. It could happen in peacetime America. It would happen in peacetime America if we should be so foolish as to undertake fully to follow the pattern set forth by some of the more ambitious among the dreamers in Washington. Indeed, it might very well happen in this country for a time after the war should we embark upon a grandiose scale to "rehabilitate" the world-not only to assuage the hunger and suffering of despoiled peoples as best we may, but actually undertake to "set them up in business" again, as more than one of the New Deal groups have suggested. It could happen-even if we assume a price level approximately that of the present—in substantial measure at least as the result of public policy which insisted upon huge expenditures for wholly unproductive purposes as is suggested in virtually all the official plans to date.

It could happen if private enterprise generally were to adopt the policy—assuming it could obtain the funds—of spending money and furnishing employment merely for the purpose of increasing "national income" and enlarging employment. We do not believe it will be so foolish as to adopt any such policy. It could not continue it very long for the simple reason that it would run out of funds. All men and women then would be seeking work; and there would be no employers left. There is not the slightest doubt in our minds that American business men are as familiar with this lishments ought to be put to good fact as are we. Yet few voices are raised to point out the emptiness of much of the clamor—even among business men —to the effect that "private business" must furnish full empress, he emphasized the benefits ployment after the war to survive. "Private business"—if in physical condition and mental the term is to be defined, as apparently it usually is, to ex- alertness that men and women in clude the employees-exists not to "furnish employment" but to make money. It has no other reason for existence, and indeed can not long continue to exist unless it does thought their training should be make money.

How To Make Money

It can continue to make money only if it produces the things the people want at a price the people can and will pay. It serves a useful broad social purpose only under these conditions. A private enterprise devoted to making speak of a year's contribution of more of any sort of goods than the public wants, or any sort of goods that the public does not want at all-or, of course, a product not useful in the manufacture of goods the military. people want—simply can not stay in business, and there is no advantage in having it stay in business. It is here that peacetime economy differs from wartime economy. At present the needs of the military establishment as determined by the authorities dominates the markets. A force growing pains incident to its vast outside of the economy decides what is wanted and it is the function of industry to produce it. At least this is the case excellence of its training but in in such a degree that the entire economy is dominated by it. its improved housekeeping prac-In peacetime there can not be, save in a slave State such tices such as its food conservation as Russia, any such outside arbiter over demand. The consuming public is supreme. We suspect that in the long, long grown-up and asked if that meant run the consuming public will prove master even in such regimes as that of Russia in peacetime. At any rate, we here in America would hardly wish to establish any system under which each individual is told from above what he needs, wants or can have in the way of the ordinary things ments of women in industry. In and services of peacetime life-and that he must take what is aviation plants, he said, from 30

In peacetime the problems of business do not begin and end with production. The first task is to determine what the public wants and will buy, and at what price. Then the question arises as to whether these things can be produced tremendously in meeting the manat that price. The success or failure of any enterprise lies power problem. first of all in a correct appraisal of these factors. Then and then only can it safely proceed with the task of production. use in the post-war era, perhaps If there were anywhere a man or group of men, either in by requiring that the youth of private or public life, who could, as many of the New Dealers seem to suppose they can, know in advance even with a fair degree of precision how many automobiles, how many developed probably would be only pairs of shoes, how much cotton cloth, and all the rest the

people would buy at stated prices, then it would be relatively land, presumably because she simple to plan and effect production without waste and without idleness. No such wisdom, however, "e'er was on sea or land." That is the reason, or one of them, that it is before dreamed of. Yet food is not in plentiful supply and so foolish to assert, as many in public life have been assert-

Or Else

What many who talk about the necessity of providing business as we know it will be politically doomed if unable after the war. That may or may not be true, but there are two plain facts which must not be overlooked. The first is that private enterprise is certainly doomed if it undertakes a campaign of boondoggling in order to provide the employ-ment demanded of it. The second is that regardless of full employment, the "national income" or any other statistical datum, our material life will not and can not be long enriched by the alternative most frequently mentioned—State

And, finally, what is "private enterprise" anyway? As currently used the term appears to connote merely the aggregate of those individuals who have quite voluntarily undertaken to provide, rather than to seek, employmentin the hope, of course, of bettering their own economic position. But if the hope of gain is unduly dimmed why should they undertake any such task? Why will they, too, not decide to seek employment—from "private enterprise" which in such circumstance must slowly become extinct?

President Favors Post-War Training For Youth; Concludes Tour Of Camps And War Plants

Following his return to Washington on April 29 from 17-day war inspection tour, President Roosevelt expressed the belief that the young people of America might well give a year's service to the Government in the post-war era making use of the industrial

plants and military camps. At a press conference giving impressions of his trip, which covered 7,652 miles and 20 States,

the President said that he was convinced that the wartime estabuse in the post-war era. He said Bening he had no specific plan to offer but, according to the Associated Press, he emphasized the benefits service and war-worker uniforms had realized in the last few months. And he indicated that he extended to all young men and women in some form after we win the war.

The same advices added: "Objecting to the term 'compulsory military service,' preferred to Executive services to the Government. Any program that develops, he said, probably would be only partly

The President's press conference comments of his trip, as reported in Associated Press Washington advices, follow:

1. The Army is now over the expansion and is grown-up. This is demonstrated not only in the it is as big as it needs to be. Mr. Roosevelt said, no, that there has been no change in plans as to its

2. He was struck by the achieveto 50% of all employees are women, and in one plant the number of women is well above 50%. Among new workers, 60 to 65% are women. Mr. Roosevelt commented that this is helping

3. The camps and industrial plants ought to be put to good (Continued on page 1690)

clared itself about these people our midst by withdrawing diplomatic recognition. Kremlin acted quickly, without consultation. This act seemed a shock to us, but, in view of the above history, it was logical and natural. The

would not make peace with Rus-

aiding an enemy of our new ally.

had been crushed by the Nazis

and invaded by the Soviets. But

this week, when the Polish Government demanded a Red Cross

investigation of Polish murders,

our Soviet ally practically de-

All the while we harbored the exiled Polish Government which

We could not afford to be

only reason it appeared to us as a shock was because we had nationally deluded ourselves into false assumptions.

Everyone with an eye clearly focused could see from the start that Russia was in this war because the double-dealing Hitler had invaded her homeland.

Our swiftly changing publicity promoters, however, have tried to make some propaganda mesh out of the necessities which brought us and Britain into the war on the same side and to dovetail our ideals and our purposes. did it so enthusiastically that they got us to believing that everyone on our side looked at this war as the average American man in the street.

Perhaps they even convinced themselves-until Moscow put them right. Indeed, Moscow dispatches say she might have acted earlier against the Poles in connection with other matters. Molotoff's note says straight-out that Russia wants Polish territory.

Stalin, no doubt, will contend eventually her Eastern provinces are rightly his. It all depends on how far you go back into history which answer you get. sides get the one they want.

Anyone who can settle the boundaries satisfactorily to Russia and Poland has sufficient astuteness to be the leader of the world, but no one will ever fulfill that mission.

By PAUL MALLON

This is one world, all rightbut take another look at it behind the news of the day.

This war started when Germany at-tacked Poland, Sept. 1, 1939, and, 15 days later, Russian troops crossed Poland's border canceling Soviet - Polish treaties. dignation in this country high ran against both Germany and Russia.

Three months later,

on Nov. 28 the Soviet Government renounced its non-aggression pact (1932) with Finland, and, two days later, invaded that country. ion against Russia American onir hit such heights that we collected millions of dollars of our good money to aid the Finns against the Russians.

These almost unanimous public beliefs of ours prevailed nearly two years, when Hitler suddenly (June 21, 1941) turned All our thinking on Russia. switched diametrically.

Little Finland began to fight back against Russia, but we no longer considered her as a valiant democratic nation fighting against aggression. Her fight was the same, but, this time, we looked on her as a tool of the Nazis.

Indeed, events drew us the whole way around, and soon we found ourselves also fighting on the side of Russia, contributing billions to her cause.

Only last week we withdrew most of our Embassy from Fin- March 11, page 929.

Red Cross War Fund Over Goal By \$13,000,000

The 1943 Red Cross War Fund campaign, which began March 1. has been very successful and \$138,000,000 has been contributed, according to a statement issued April 30 by Walter S. Gifford, National Chairman of the 1943

The minimum amount sought was \$125,000,000, the largest amount ever asked for in one campaign by any organization in this country. In spite of March income tax payments and continued purchases of war bonds, Mr. Gifford said, millions of people-undoubtedly a record number-have contributed generously. His statement continues:

"This is evidence that however difficult the problems we face in Popular these war times, we can make the necessary sacrifices to meet them voluntarily and cheerfully. A few places which have not yet reached their goals, some because they started late, will continue on with their campaigns, as it is necessary for them to secure their quotas in full in order to meet their Red Cross needs locally. Thus the final amount will be somewhat greater than is now reported. And so the American Red Cross through the generosity and understanding of the American people will be able to continue in full its urgent and vital services in the year to come."

The opening of the Red Cross campaign by President Roosevelt was reported in our issue of



Coal Miners Return To Work—Strike Halted-15-Day Truce Announced

About twenty minutes before President Roosevelt went on the air and denounced the coal strike as a blow at the war effort, John L. Lewis, President of the United Mine Workers of America, announced in New York, on Sunday, May 2, that he had reached an agreement in Washington with Harold L. Ickes, Secretary of the Interior, acting as Solid Fuels Administrator, for the return of ap-

proximately 500,000 coal miners® ment, made by Mr. Lewis to reporters immediately after unanimous approval by the National Policy Committee of the U. M. W. of A., said the 15-day truce would be used by the Government and the union to work out a new wage contract for both the anthracite and the bituminous coal industry.

The nationwide strike, which became effective with the miners staying away from work on Saturday, May 1, after the 10 a.m. deadline set by President Roosevelt, is the culmination of a demand by Mr. Lewis for a pay increase of about \$2 a day for the coal miners. Later that day, the President directed Mr. Ickes to take immediate possession of all coal mines in which a strike or work stoppage had occurred, or was threatened. At the same time, Henry L. Stimson, Secretary of War, was directed to take such action as he may deem necessary or desirable "to provide protection to all such persons and mines." The strike began without so much as a word from Mr. Lewis, and the miners simply heeded Mr. Lewis' publicly announced policy that they would not "trepass" on the property of the coal operators in the absence of a labor contract. Their contracts expired on March 31, and were extended until midnight, 30, under agreement between the coal operators and the U. M. W. while the two groups strove to settle Mr. Lewis' payincrease demand. Thus after midnight last Friday the miners were without working agreements of any kind, and they stayed away from their jobs.

The Executive Order of Presision and Operation of Coal Mines," which was release dent Roosevelt, entitled "Posses-May 1, follows:

"Whereas widespread stoppages have occurred in the coal industry and strikes are threatened which will obstruct the effective prosecution of the war by curtailing vitally needed production in the coal mines directly affecting the countless war industries and transportation systems dependent upon such mines; and

'Whereas the officers of the United Mine Workers of America have refused to submit to the machinery established for the peaceful settlement of labor disputes in violation of the agreement on the part of labor and industry that there shall be no strikes or lockouts for the duration of the war; and

"Whereas it has become necessary for the effective prosecution of the war that the coal mines in war and the rights of workers to for the United States. continue at work:

Constitution and laws of the operation of mines on Monday United States, as President of the (May 3). In operation of mines United States and Commander-in-Chief of the Army and Navy, it is hereby ordered as follows:

"The Secretary of the Interior is authorized and directed to take immediate possession, so far as any and all mines producing coal ment will be retroactive. in which a strike or stoppage has occurred or is threatened, toassets used in connection with the the Bituminous Division for area labor. The members of the Board our power plants, our railroads Government to work out a new

to the strike-bound coal fields for operation of such mines, and to a period of 15 days beginning operate or arrange for the operation of such mines in such manner as he deems necessary for the successful prosecution of the war, and to do all things necessary for or incidental to the production, sale and distribution of coal.

> "In carrying out this order, the Secretary of the Interior shall act through or with the aid of such public or private instrumentalities or persons as he may designate. He shall permit the management to continue its managerial functions to the maximum degree possible consistent with the aims of this order.

> "The Secretary of the Interior shall make employment available and provide protection to all employees resuming work at such mines and to all persons seeking employment so far as they may needed; and upon the request of the Secretary of the Interior the Secretary of War shall take such action, if any, as he may deem necessary or desirable to provide protection to all such persons and mines.

"The Secretary of the Interior authorized and directed to maintain customary working conditions in the mines and customary procedure for the adjustment of workers' grievances. He shall recognize the right of the workers to continue their membership in any labor organization, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, provided that such concerted activities do not interfere with the operations of the mines.

"Possession and operation of any mine or mines hereunder shall be terminated by the Secretary of the Interior as soon as he determines that possession and operation hereunder are no longer required for the furtherance of the war program.'

Mr. Ickes, in a telegram to the operators of the coal mines, said in part:

"To assure production of coal necessary to win the war, the President of the United States as Commander-in-Chief of Army and Navy has directed me to take over all bituminous coal mines of above-named company. You are being called upon as a loyal and patriotic American to serve as operating manager for the United States of the mines of your company and to continue operations at the mines for the United

"All officials and employees are directed forthwith to perform their usual functions and duties in connection with mine opera which stoppages or strikes have tion, sale and distribution of prodoccurred or are threatened be uct. Pending receipt of formal intaken over by the Government of structions and appointment, you the United States in order to pro- are authorized and directed to tect the interests of the nation at continue operations at the mines

"Fly the flag of the United "Now, therefore, by virtue of States on the mining premises. Do the authority vested in me by the all things necessary to assure use existing managerial set-up so far as practicable and take all steps within your power to encourage miners to return to work under present wages and working conditions with understanding may be necessary or desirable, of that any eventual wage adjust-

"If any act transpires requiring maintainence of order by use of gether with any and all real and military forces, communicate with War Labor Board, the agency personal property, franchises, regional bituminous coal manager created for this express purpose what any individual thinks about tor of Solid Fuels for War on the rights, facilities, funds and other who is manager of field office of with the approval of organized it. The operation of our factories, authority of the United States

in which mine is located for followed the usual practice which will not be stopped. Our munitransmission of request to proper officials. The above-named regional manager is available for further instructions if required.

"In respect to all ordinary production and distribution prob-lems, proceed, so far as practicable, in accordance with previously prevailing policies. Set books up so as to keep separate the period of Government operation. Continue personnel organization as nearly as practicable in accord with normal organization. Advise all supervisory employees of the program. Be governed by all applicable State and Federal laws consistent with the order pursuant to which you are acting.

"In respect to any mines which you are reasonably certain will continue in normal, regular operation, you may submit a recommendation that operation of such mines on behalf of the Government be terminated.

"If you are not acting as chief executive officer of the company, this telegram is to be considered as directed to the officer who is so acting.'

In his radio address to the coal miners on Sunday, May 2, President Roosevelt stated in part as follows:

"I am speaking tonight to the American people and in particular to those of our citizens who are coal miners.

"Tonight this country faces a serious crisis. We are engaged in a war on the successful outcome of which depends the whole future of our country.

This war has reached a new critical phase. After the years that we have spent in preparation, we have moved into active and continuing battle with our enemies. We are pouring into the world-wide conflict everything that we have — our young men and the vast resources of our

"The American people have accomplished a miracle.

"However, all of our massed effort is none too great to meet the demands of this war. We shall need everything that we have and everything that our Allies have—to defeat the Nazis and the Fascists in the coming battles on the Continent of Europe, and the Japanese on the Continent of Asia and in the islands of the Pacific.

"This tremendous forward movement of the United States and the United Nations cannot be stopped by our enemies.

"Equally, it must not be hampered by any one individual or by the leaders of any one group here back home.

"I want to make it clear that every American coal miner who has stopped mining coal-no matter how sincere his motives, no matter how legitimate he may believe his grievances to be-every idle miner directly and individually is obstructing our war effort. We have not yet won this war. We will win this war only as we produce and deliver our total American effort on the high seas and on the battle fronts. uninterrequires unrelenting rupted effort here on the home tors will be punished.

"The stopping of the coal supply, even for a short time, would involve a gamble with the lives low where they were before we of American soldiers and sailors entered the war. Clothing prices and the future security of our have generally remained stable. whole people. It would involve an unwarranted, unnecessary and than a third of the total budget terribly dangerous gamble with of the worker's family our chances for victory. "As for food, which

production of coal will not be stopped.

"In the present coal crisis, conciliation and mediation were tried price increases. We are now tak-

unsuccessfully. "In accordance with the law, the case was then certified to the

has proved successful in other tions must move to our troops. disputes. Acting promptly, they undertook to get all the facts of the case from both the miners and the operators.

"The national officers of the United Mine Workers, however, declined to have anything to do with the fact-finding of the War Labor Board. The only excuse that they offer is that the War Labor Board is prejudiced.

"The War Labor Board has been and is ready to give the case a fair, impartial hearing. have given my assurance that if any adjustment of wages is made by the Board it will be made retroactive to April 1. But the national officers of the United Mine Workers refused to participate in the hearing when asked to do so last Monday.

"On Wednesday (April 28) while the Board was proceeding with the case, stoppages began to occur in some mines. Thursday morning (April 29) I telegraphed to the officers of the United Mine Workers asking that the miners continue mining coal on Saturday morning (May 1). However, a general strike throughout the industry became effective Friday night (April 30).

"The responsibility for the crisis that we now face rests squarely on these national officers of the United Mine Workers and not on the Government of the United

"But the consequences of this arbitrary action threaten all of

"At 19 o'clock yesterday morning (May 1) the Government took over the mines. I called upon the miners to return to work for their Government. The Government needs their services just as surely as it needs the services of our soldiers, sailors and marines-and the services of the millions who are turning out the munitions of

"I know only too well that the cost of living is troubling the miners' families and the families of millions of other workers throughout the country as well.

"A year ago it became evident to all of us that something had to be done about living costs. Your Government determined not to let the cost of living continue to go up as it did in the first World War.

"Your Government has been determined to maintain stability of both prices and wages-so that a dollar would buy so far as possible the same amount of the necessities of life. And by necessities I mean just that—not the luxuries and fancy goods that we have learned to do without in war

"So far we have not been able to keep the prices of some necessities as low as we should have liked to. That is true not only of coal towns, but in any other

"Whenever we find that prices of essentials have risen too high, they will be brought down. That Whenever we find that price ceilings are being violated, the viola-

"Rents have been fixed in most parts of the country. In many cities they have been cut to be-

"As for food, which today ac-"Therefore, I say to all miners counts for about a third of the and to all Americans every- family expenditure on the averfamily expenditure on the averwhere, at home and abroad-the age, I want to repeat again: Your Government will continue to take all necessary measures to eliminate unjustified and avoidable ing measures to roll back the prices of meats.

"The war is going to go on. Coal will be mined, no matter what any individual thinks about tor of Solid Fuels for War on the

"Under these circumstances, it is inconceivable that any patriotic miner can choose any course other than going back to work and mining coal.

"The nation cannot afford violence of any kind at the coal mines or in coal towns. I have placed authority for the resumption of coal mining in the hands of a civilian, the Secretary of the Interior. If it becomes necessary to protect any miner who seeks patriotically to go back and work. then that miner must have and his family must have—and will have - complete and adequate protection.

"If it becomes necessary to have troops at the mine mouths or in coal towns for the protection of working miners and their families, those troops will be doing police duty for the sake of the nation as a whole, and particularly for the sake of the fighting men in the Army, the Navy and the Marines-vour sons and mine -who are fighting our common enemies all over the world.

"I understand the devotion of the coal miners to their union. know of the sacrifices they have made to build it up. I believe now, as I have all my life, in the right of workers to join unions and protect their unions. I want to make it absolutely clear that this Government is not going to do anything now to weaken those rights in the coal fields.

"Every improvement in the conditions of the coal miners of this country has had my hearty support. I do not mean to desert them now. · But I also do not mean to desert my obligations and responsibilities as President and Commander-in-Chief.

"The first necessity is the resumption of coal mining. The terms of the old contract will be followed by the Secretary of the Interior. If an adjustment in wages results from a decision of the War Labor Board or from any new agreement between the operators and miners, which is approved by the War Labor Board, that adjustment will be made retroactive to April 1.

"In the message that I delivered to the Congress, four months ago, I expressed my conviction that the spirit of this nation is good.

"Since then, I have seen our troops in the Caribbean area, in bases on the coasts of our ally, Brazil, and in North Africa. Recently I have again seen great numbers of our fellow countrymen — soldiers and civilians— from the Atlantic seaboard to the Mexican border and to the Rocky Mountains.

"Tonight, in the face of a crisis of serious proportions in the coal industry, I say again that the spirit of this nation is good. know that the American people will not tolerate any threat offered to their Government by any one. I believe the coal miners not continue the will against the Government. lieve that the coal miners them selves as Americans will not fail to heed the clear call to duty. Like all other good Americans, they will march shoulder to shoulder with their armed forces to victory.

"Tomorrow (May 3) the Stars and Stripes will fly over the coal mines. I hope every miner will be at work under that flag.

Mr. Lewis, in making his announcement of the 15-day truce, said in part:

"The Policy Committee of the Mine Workers of America have just agreed by unanimous vote of the membership to restore all mines to immediate operation for a period of 15 days beginning Tuesday (May 4).

"This period is to be utilized in cooperation with the Coordina-

wage contract for the anthracite and bituminous coal industry.

"The agreement when worked out will be retroactive in all its terms and provisions to April 1, 1943, in bituminous coal and to May 1 in anthracite.

'The Mine Workers recognize that they have a new employer who has not yet had time to appraise the immediate problems facing the industry."
Mr. Lewis said another meeting

of the Policy Committee of the U. M. W. would be called to discuss further the proposals to be worked on with the Government. No date was set for the meeting.

Mines on Six-Day Week-Operations Resumed

Harold L. Ickes, Solid Fuels Administrator, on May 4 issued an order placing all of the bituminous and anthracite coal mines of the nation on a six-day week with time-and-a-half for Satur-

Simultaneously, the War Labor Board announced that it was again assuming active jurisdiction in the coal dispute and ordered its factfinding panel to proceed Thursday morning (May 6) with consideration of the case.

Virtually all of the nation's coal miners were back at work on Tuesday of this week.

The effect of the six-day week it was said, is to raise miners' wages 30%, from a basic \$35 a week to \$45.50. It is estimated by Mr. Ickes and by the coal operators that 80 to 85% of the coal mines are already on a six-

Mr. Ickes said he had no authority to negotiate contracts and that the authority to negotiate could be taken away from the WLB only by order of the Presi-No such order has been

The Fuel Administrator also said he saw no way of "by-passing WLB." He explained his status as that of a custodian and operator of the mines under the President's direction, without having taken title to them.

The text of Mr. Ickes's directive, in placing the nation's hard and soft coal mines on a six-day week, stated in part:

"Since maximum prices have been recently increased by the Office of Price Administration to permit operation of mines on a six-day week work basis, you are to afford miners an opportunity to work six days each week and are to operate mines under your charge on that basis and to pay time-and-one-half or rate-andone-half for sixth day of work as heretofore agreed upon by collective bargaining and previously cleared by WLB.

"The Government is relying upon you and all mine employees to exercise utmost effort in maintaining and increasing production of coal so vital to the winning of the war.

"If for any justifiable physical or operating reason a six-day week basis is not feasible, timely application for exemption from this directive may be made together with full supporting statement of underlying reasons.

"I intend to recommend to the Office of Price Administration that the increase in maximum prices for six-day-week operation be rescinded as to any mine which fails to comply with this directive.

Mr. Ickes added that he "guessed" that the six-day week would be continued for the duration, but he flatly denied that his six-day order involved a guaranty of six days' work a week for 52 weeks. This is one of the things with which Mr. Lewis has been concerned. But Mr. Ickes estimated that miners will now work about 300 days out of the year.

tonnage produced is from mines already operating on a six-day basis, Mr. Ickes said that his order would increase the output. than they have a market for, he other leaders of the labor move-The Fuel Administrator said said.

House Adopts Compromise Pay-Go Tax Plan To Abate 75% Of 1942 Income Liability

(Continued from first page)

fair" and "a gross violation of the be treated as payments on their President is asking \$16,000,000,-000 additional war revenue.

added, "there will be no doubling as payments on their estimated up for more than 7,000,000 new taxpayers and the old taxpayers, while forced to undergo some doubling up, will receive substantial reduction of their 1942 tax. These reductions for the great majority of taxpayers are such as to make the extent of the doubling up relatively slight."

The Republican minority of the Committee, in its report, criticized the Administration's new pay-asyou-go tax plan as "a stepchild of political pressure," "a tax lawyer's dream" and "a loan shark's seventh heaven."

"The latter, especially, will do a rush business when the hardpressed taxpayers discover the Democratic majority's bill . . . has actually raised their taxes by nearly \$5,500,000,000," they said in a minority report.

The minority supported the Carlson-Ruml skip-a-year plan and charged that the 50% forgiveness bill recommended by the Democratic majority would provide "wholly unnecessary and unjustifiable" doubling-up of income tax payments.

Tax Collections Under House-Approved Bill

Income tax collections under the Robertson-Forand Bill, passed by the House on May 4, would operate as follows, according to Associated Press Washington advices:

1. Wage and salary earners (except members of the armed services, agricultural labor, ministers and domestic servants) have 20% of their taxable income deducted weekly, semi-monthly or monthly from their pay envelopes or salary checks (after allowable deductions have been made for family status and other exemptions). This would not be an additional tax, but provide a means of current collection against taxes now on the statute books. The collections will cover both income tax and the victory tax obligations. After July 1 there would be no separate collection of 5% on Victory taxes.

2. Persons with incomes from

sources other than wages and salaries, such as business and professional men, would be placed on a pay-as-you-go basis by requiring them to estimate their tax for the current year and pay such estimated tax within the year.

3. For farmers, a special rule would apply. If the gross income ago. of an individual from farming for the taxable year were at least 80% of total estimated gross income from all sources, such an individual could file a declaration of the estimated tax at any time is that everybody is satisfied. on a calendar-year basis.

4. The final return would be filed by all taxpayers as at present on or before the March 15 folyear. On this return adjustments would be made for differences between the estimated or withheld tax and the correct tax reported by the taxpayer.

Since most taxpayers already have filed their 1942 returns on

there was no guaranty implied in Even though 90% of the coal his order that the Government will supply a market for all coal mined. Mine operators cannot be ment. expected to produce more coal

the total forgiveness features of March 15, their payments on the Carlson-Ruml bill "most un- March 15 and June 15, 1943, would principle of ability to pay." The 1943 liability, instead of on 1942 Democratic bill, said the report, income. Taxpayers on a calendar would bring \$5,400,000,000 more year basis who are required to into the Treasury than the Carl-son-Ruml plan at a time when the mated tax would file their first declaration for 1943 on September 15 and their payments made in "Under your committee bill," it March and June would be treated 1943 tax.

A new declaration may be filed on December 15 if the taxpayer desires to amend his estimate.

From Washington

(Continued from first page) being guaranteed a six-day week This was acceptable to Lewis, but a settlement was not the issue because with one we could not have had a crisis.

Well, there comes a time on a week-end when it is perfectly apparent that the miners aren't going to show up on Monday, and it is a fact also that some of them are on strike already. A crisis!

Then, notwithstanding the fact that several weeks ago the President sends word to the Capitol that if they will but "hold that line" against inflation, and not pass the Pace Farm Bill, he is prepared to send troops into the mining regions to hold back that other inflation throng, John L. Lewis.

The whole thing could not have been better managed to cause more casualties, more heart failures, on the home front than have thus far happened in Tunisia. One can't help wondering if that wasn't the plan.

Comes the time for the showdown. The merits of the case are outside the window. Whether it isn't a little foolish to say that increasing the miners' wages will cause inflation when the incomes of families in other war industries have increased as much as \$185 a week was of no consideration. It was either FD or John L.

So it turns out that the whole thing is turned over to Harold Ickes, NOT A MILITARY MAN. Whatever happens is to be on the shoulders of Harold who, what-ever else is said about him, doesn't mind taking on trouble. Troops aren't to be sent, it is announced, unless they are needed. Of course, if troops are not first sent to stand outside those mines with drawn guns, darned few men will have the hardihood to go into those mines.

Harold gets J. L. quickly on the phone and they agree that the final settlement will be on this basis, if not a little more, that the miners are to get that six day a week guarantee which John was willing to accept several weeks

But gosh, that was a crisis. I would not have missed it for anything.

The delightful thing, as it should be at the end of all crises on or before December 15 of the Talking among my colleagues, taxable year if the taxpayer were prior to the announced settlement, found that FD, once and for all, was showing that he is the Government and that when John L. bucks up against that in time lowing the close of the taxable of war, he should be shot at sunrise and that what was happening to him was just what he deserved. I saw two bets passed that at the next meeting of the United Mine Workers Convention, John L. will be definitely deposed in favor of F. D. And how badly Bill Green and Phil Murray must feel, these colleagues had assured me, that John L. had put such a blot on the escutcheon of the labor move-

> So I went to see my friends, the ment, and I found them very placed.'

crestfallen, indeed. What a hole April Plane Output they were in, they said. John L. April Plane Output was the most resourceful labor leader they had ever seen, and Near Record Of 7,000 was the most resourceful labor what they could do about it to prevent his enlarging his District 50 to embrace the whole labor movement was more than they could see. Verily, there is a lot of misunderstanding among people.

I said to these crestfallen leaders: "Don't you realize that John L. has crucified himself among

the public?'

And they said: "Oh, nuts, who do you think constitutes the pub-lic, the round-table at the National Press Club?'

There is another thing about this "crisis" which the "public" should keep in mind. Several other leaders went to the President and told him that although they despised John L., that if he called out troops, they would have to support the miners. There is also this to bear in mind: This country now has so much materials and so many armed forces on hand, that high military authorities are trying to work out uses to make of them. The orders will go out presently for a slowing down of war production. We've got to work out some form of strategy to absorb what we've built up. Believe it or not, that's one of the hardest jobs facing the country, and something that is just beginning to be thought

840,578 Govt. Workers Are Of Draft Age

According to a report drafted by a subcommittee of the House Military Committee, made public April 15, information received to date shows a total personnel, exclusive of field employees, of 2,370,166 governmental workers of whom 1,625,162 are males. Of the males, 840,578 are of draft

Incident to the report of the subcommittee, which was headed by Representative Costello (Dem.) of California and which, it is pointed out, was of a preliminary nature, the House Military Committee recommended on April 15 that Major-Gen. Lewis B. Her-shey, Director of Selective Service, issue a directive to all draft boards to review their files "with a view to eliminating all deferments of Government employees not thoroughly justified by supporting evidence.

The Committee, in its report, according to the Associated Press, asserted that "Government must be made to set the example," contending that the Federal Government had adopted a general policy of hiring "draft-eligible men in the 18-to-38 group on a hit-or-miss basis, with little attempt to define a policy whereby women or men not subject to the draft" would be given preference in hiring.

The Associated Press further stated:

"The Committee said that it had evidence that 'great numbers of Government clerks have been deferred because of recently acquired titles and duties which have served to impress draft boards with their "essentiality. To some extent, the report continued, industry also has been guilty of 'hit-or-miss' policies in employing draft-age workers and not making better use of women and men not draftable either because of their age or physical condition.

"Asserting that many draft-age males have been employed since Pearl Harbor, the report described the figures as disturbing, but expressed the hope that a system of replacement schedules beginning to be utilized by Government and industry 'may provide a simple and workable system whereby draft-eligible men can be re-

Forecast By Nelson

Donald M. Nelson, Chairman of the War Production Board, stated on April 21 that the United States would build close to 7,000 airplanes this month "until we get up to just as large a production as we feel we need, no matter how many we need.'

Speaking before the American Newspaper Publishers Association convention in New York City, Mr. Nelson, according to the Associated Press, said:

"Certainly a year ago if anybody could have told us that we could build 7,000 airplanes in one month we would have told them they did not know what they were talking about. We will do it, probably this month.

"We will come close to it this month. Next month we will build even more, in the next month even more; until we get up to just as large a production as we feel we need—no matter how many we need."

Mr. Nelson asserted that Hitler made "one great miscalculation" in that he failed to take into account the fact that American industry "could do the job so quickly that we could swing into stride as a nation and do a job
—whatever that job had to be."

Mr. Nelson addressed the general session after presentation of a report on the scrap drive made on behalf of the ANPA by Richard W. Slocum, General Manager of the Philadelphia "Bulletin" and Chairman of the Newspapers' United Scrap Drive Committee.

Regarding the newspapers' scrap campaign, Mr. Nelson stated:

"I think you can be justly proud of the job you did for your country because we were in a very serious situation - most serious. one that gave us a great deal of anxiety, knowing as we did how we had to keep on increasing production to even greater heights and knowing that we just had to have the basic material, the steel, to do it.

"It was a real inspiration, think, when we called upon the press of the nation to do this job. I think the way you turned in and generously gave your all and made this whole country scrap-conscious was fine, and the results of that drive are still apparent all over the country. think it is a great tribute to the power of the press.

"I have always known, course, about the power of the printed word; I have always believed deeply in a free press, in democracy, knowing as I do that it is a fundamental of democracy that people should be informed. How else can you run a democ-

"I think it is also a great tribute to the business organizations of the press and they have my deep admiration because they not only got the people aroused, but actually did a job with committees them into action. You know, voluntary committees are fine but it is awfully hard to transmit to each and every member of the voluntary committee the urgency of the situation which faces him. The business organizations of the paper, aside from the publicity, aside from the information they gave to the people, got behind this thing and did a real job

"I personally, and on behalf of the country, certainly thank you for the fine, generous way in which you responded to our call."

Mr. Nelson went on to say that the "virility of American industry, that virility of the free enterprise system" is "something to give us great heart." He warned, however, that the job is "nowhere near done" and that "we have still got a long, hard road ahead of us."

Loan Government All Excess Dollars, Public Urged By Szymczak Of Reserve Board

M. S. Szymczak, member of the Board of Governors of the Federal Reserve System, urged in a radio talk on April 17, in connection with the \$13,000,000,000 Second War Loan Drive, that the public loan the Government all the dollars it can possibly afford for the "war

Declaring that nothing on the home front is more vital than the

transfer of some of the public's . excess buying power to the Government, Mr. Szymczak called on lows: the people to buy "only the minimum necessary to sustain it until victory is won, since our very life as a nation depends upon producing and employing the maximum to fight this war." Szymczak further stated:

What our Government really wants is your buying power-to buy planes, tanks, ships and ammunition. It obtains this buying power when it taxes and when it borrows. As the Government's buying power thus increases the buying power of the public de-Otherwise we should creases. have a situation in which the public's purchases for its own needs or whims would compete and interfere with the Government's purchases-a situation in which the need for ships and ammunition was being choked by the demand of the public for pleasure cars and radios. That situation must be prevented. But we can not prevent it unless you and I pay taxes and buy bonds, thereby transferring to the Government some of our buying power, which we cannot use ourselves now without jeopardizing our living conditions at home and the war effort itself."

32 Senators Uppose World Police Proposal

On the basis of an Associated Press poll completed April 18, 32 Senators oppose committing the United States at this time to post-war participation in an international police force to preserve the peace, while 24 Senators, one-fourth of the Senate, favor such commitments.

Thirty-two additional Senators have not reached either a definite "yes" or "no" decision on the question, and eight Senators could not be reached for comment.

To determine sentiment, the Associated Press asked this ques-

"Do you favor committing the Senate and country now to a postwar course of preserving the peace through an international police force?

In Associated Press Washington accounts of April 18 the follow-

ing was reported:
The question was selected in an attempt to obtain from the Senwhich must approve all treaties by a two-thirds vote before they can become effective, a cross-section viewpoint on what happens to be the central theme of a half dozen resolutions now pending before its Foreign Relations Committee—the proposal to have the Senate go on record now for post-war international collaboration for forceful preservation of the peace.

Some Senators who favored immediate commitments of this nature did so with reservations, as did some of those opposed. Where they indicated clearly their indorsement of the principle of immediate action to put certed effort by Government the Senate and country on record for a course of this general nature, they were recorded as of the press as guaranteed to the favorable and, contrarily, as op-

On the basis of their replies, 19 were listed as favoring an imme-16 Republicans and a Progressive, Senator LaFollette of Wisconsin, were listed as opposed. who declined to commit themselves included 17 Democrats and 15 Republicans.

The breakdown of the poll fol-

Favorable

Democrats-Bailey, Bankhead, Bone, Connally, Downey, Guffey, Hatch, Hill, Kilgore, Lucas, Maybank, Murray, McClellan, Mead, O'Mahoney, Pepper, Thomas (Utah), Truman, Wagner (19).

Republicans-Austin, Ball Burton, Davis, Ferguson (5).

Opposed

Democrats — Chavez, Clarke (Idaho), Johnson (Col.), McCar-Clarke ran, McKellar, Murdock, O'Daniel, Overton, Radcliffe, Reynolds, Smith, Tunnell, Van Nuys, Wallgren, Wheeler (15).

Republicans-Bushfield, Butler Capper, Gurney, Hawkes, Hol-man, Johnson (Calif.), Langer, Moore, Nye, Revercomb, Robertson, Shipstead, Taft, Wherry, Willis, (16).

Progressive-LaFollette (1). Those who declined to commit themselves:

Democrats — Barkley, Byrd, handler, Eastland, Ellender, Chandler, Eastland, George, Gerry, Gillette, Green, Hayden, Maloney, McFarland, Russell, Stewart, Thomas (Okla.), Tydings, Walsh (17).

Republicans - Aiken, Barbour, Brewster, Bridges, Brooks, Dana-Lodge, McNary, Millikin, Reed, Thomas of Idaho, Vandenberg, White, Wiley, Wilson (15).

The following Senators were not reached for comment: Andrews (Dem., Fla.), Bilbo, (Dem. Buck (Rep., Del.), Cara-Miss.). way (Dem., Ark.), Clark (Dem. Mo.), Glass (Dem., Va.), Scrug-ham (Dem., Nev.), Tobey, Rep.,

Into Curtailment Of **Newsprint & Paper**

The House on April 10 adopted a resolution authorizing its Committee on Interstate and Foreign Commerce to conduct an investigation into the curtailment of newsprint and paper.

The resolution, sponsored by Representative Halleck (Rep., Ind.), also directs the Committee to investigate whether any agency or officer in the executive branch of the Government has formulated or is formulating plans with a view to putting into effect requirements intended to bring about simplification and standardization of production, marketing and distribution of articles or commodities, as well as concentration of industry or production.

In urging adoption of the resolution, Representative Shafer (Rep., Mich.), said that it will 'enable the Congress to determine the extent to which a conspiracy exists to destroy the freedom of the press." Representative Shafer further said:

"For a considerable length of time many of us have been disturbed at what we believe to be a persistent, determined and conagencies and officials to interfere with and curtail the full freedom people of America under the Constitution.

"These efforts seemed to have Democrats and five Republicans reached their climax in the filing of what I term 'the spite suit diate commitment; 15 Democrats, against the Associated Press last August, a suit which alleges that the Associated Press is a monop-Those oly and that it has operated in violation of the anti-trust laws.

"It was my thought at the time that this suit, which clearly re- durable and secure peace after the of their flyers in our hands."

be the final, as it was in fact the most dangerous move in the game that was being played and the objective of which was to deprive the American people of their constitutional right to be told what was going on by an untrammeled

Representative Halleck said that there is the greatest need to have the true facts brought to light by Congressional investigation," with regard to the newsprint situation. He added:

"I would like to know if someone is restraining Canadian and American producers from filling the market in this country so that the need of imports of pulp and paper from Scandinavian countries will be here after the war. I want to know if the willingness of the American newspaper and magazine publishers to make any sacrifice to help win the war is being imposed upon. I want to know if the American people are being imposed upon.

'This proposed investigation is the answer. Newsprint production is a Canadian-not a U.S. problem. Seventy-five to 80 or more per cent of all the newsprint used in the United States comes from Canada. The committee will have no difficulty in securing complete and official information from Canadian authorities, for I am sure the Canadians want all this confusion cleared up and the importance of a committee of Congress assigned to this question will be recognized by them.

'No group is more anxious than this Congress to see continued the very fine and friendly relations now existing between Canadian producing interests and the consumers of newsprint in the United States. Many of our American producing companies are big operators in Canada. They know the situation on both sides of the line and can bring us real facts. If newspaper and magazine publishers have information for us, they will be heard. If anyone is trying to slip something over, the curtain will be pulled back.

Plans for the inquiry were noted in these columns Feb. 11, page 580, and March 25, page 1120.

Elmer Davis Declares Lack Of Definite Foreign Policy Hampers OWI

Elmer Davis, director of the Office of War Information, on April 27 addressing nearly 1,000 representatives of the radio industry, at the 121st annual meeting of the National Association of Broadcasters, said America's lack of a definite and detailed foreign policy is hampering the Office of War Information in its efforts to spread favorable propaganda for the United Nations in enemy and occupied countries. A special dispatch by Jack Steele, to the New York Herald Tribune, from Chicago, on April 27, from which the above was taken, went on to say:

Mr. Davis emphasizes that he was not so much criticizing the failure of the United States to formulate a more concrete postwar international program at this time as stating as a fact that the overseas propaganda of the O. W. I. now lacks complete effectiveness because it cannot be built around some program comparable to President Wilson's "Fourteen Points" in the last war.

"This Administration is moving more slowly in formulating postwar foreign policies because it wants to be sure that they will have the support of the American people and will coincide with those

of our present allies," he said. He added that, while this delay was handicapping the O. W. I. by preventing it from giving concrete assurances to enemy peoples of their place in the post-war world, Japanese executions of American it might prove sounder than the aviators captured after the raid

vealed the spleen and animus of the enemies of a free press, was to Congressional Probe Of WPB Steel Unit Requested By Mining Men At Senate Hearing

A Congressional investigation of individuals in the ferro alloy branch of WPB's steel division was requested at the small mines hearing held at Salt Lake City, April 21 before the mining and minerals subcommittee of the United States Senate's special committee to study the problems of small business enterprises.

The investigation was suggested to Senator James G. Scrugham of Nevada, subcommittee Chairman, by A. E. Riley, a representative of Colorado manganese producers. Mr. Riley criticized the attitude of Andrew Leith, Assistant Director of the ferro alloy branch in charge of manganese and chrome, remarking that he was "formerly with the Steel Institute, and we think he is still with those interests." He specifically asked the Committee to investigate Assistant Director Leith to see if his interests would Labor Department on the ground prompt him to discourage rather than encourage domestic manganese production.

The hearing, one of a series being held in the western mining States, was conducted by Senator Scrugham and W. C. Broadgate. technical consultant to the Committee, assisted by Commissioners Ora Bundy and H. J. Plumhof of the Utah Publicity and Industrial Development Commission.

Some of the major recommendations offered for the relief of the industry by representatives from Utah, Idaho, Montana and Colorado were:

1. Changes in corporation and individual income tax laws to give recognition to the risks involved in mining.

2. Easing of Securities and Exchange Commission regulations to facilitate private financing of mining ventures.

3. Immediate revision of food rationing rules to give miners a larger allotment, particularly with respect to meat.

4. Price adjustments on certain

5. Elimination of some of the red tape and simplification of procedures in getting RFC loans for development and materials and supplies priorities.

No specific recommendations were offered on the man-power problem but difficulties of getting and keeping miners was cited as a major problem by several

Uruguay Approves U. S. Loan

The Uruguayan Cabinet gave final approval on April 27 to a \$20,000,000 loan negotiated in January by Vice-President Alberto Guani with the Export-Import Bank of Washington for a publicworks program in Uruguay.

In indicating this, Associated Press advices from Montevideo

further said: "An official report said the bank had agreed to revise some contract clauses to which the Uruguayan Government had objected, including one whereby the bank would have controlled funds from the loan.

'Some circles here had comsome circles here had come ained the clause meant foreign Down 16.5% In March interference in Uruguayan internal affairs.

war is won.

He declared that the O. W. I. in addition to ample evidence that its propaganda is having considerable effect on Germany in Italy, was now receiving information indicating that American radio propaganda is reaching far more people in Japan and lands occupied by the Japanese than he had believed possible.

Other points he made at a press conference and later amplified in an off-the-record speech before the N. A. B. convention included:

A forecast that Germany and Italy, despite their cheers for the

Newspaper Not Obliged Wage-Hour Bureau

The Federal District Court for New Jersey, at Newark, refused on April 3 to compel a newspaper to open its records to the Wage and Hour Division of the U. S. the latter was "simply in quest of information . . . which might or might not disclose a violation."

L. Metcalfe Walling, Wage and Hour Administrator, had subpo-enaed records of the Paterson 'Evening News," and Harry B. Haines, President of the publication company, had refused to give the books to inspectors on the ground the Federal statute did not apply to the newspaper or its employees.

Regarding the ruling, Associated Press Newark advices reported:

"The Administrator insisted, the court said, that the question of coverage was no defense; Congress had intended him to have full power to administer the act, with phases of administration left to him and not the courts.

In denving the Government's request for a show-cause order, Judge Thomas F. Meaney did not rule on applicability of the act to the newspaper, saying the Admin-istrator "has not had opportunity" to argue that point sufficiently.

"In the instant case," Judge Meaney's opinion said, "the Administrator without complaint and simply in quest of information upon which to base proceedshould they be justified, issued his subpoena directing the production of certain records, the examination of which might or might not disclose a violation.

"Desirable as the contribution of experts to the Government is, there is no indication that Congress has as yet determined to substitute a government of mere expert opinion for a government of law. . . .

"The trend and tendency of the present day is to enlarge the function of administrative bodies in order to carry out purposes of social legislation. Commendable as this is, the functions of the courts remain, and those functions are not merely to act as an adjunct of administrative bodies, but rather in such instances as have teen categorically indicated by Congress to implement the operations of such bodies.

Canada Newsprint Output

Canadian newsprint production in March amounted to 246,855 tons and was 48,980 tons or 16.5% lower than in the corresponding month of last year, according to the News Print Service Bureau. Canadian shipments amounted to 248,469 tons, a decline of 19.4% from March, 1942.

For the first quarter of 1943, Canadian production of newsprint was 702,206 tons, a 20.7% decline from the same period of 1942.

United States' production totaled 71,357 tons in March, an 11.8% decline from a year ago, while Newfoundland's output was 15,613 tons, down 44.2%

Total North American newsprint production in March was 333,825 tons, compared with 404,policy followed in the first world on Tokio, will not take similar 758 tons in the corresponding war by paving the way for a more steps "because we have too many month of 1942, representing a decrease of 17.5%.

Military Force Sufficient To Guard Against Future War Urged By Henry Morgenthau, Sr.

Henry Morgenthau, Sr. urged the development of the military force of the United States to the extreme limit to win the war, and the maintenance of a sufficient amount of that force to safeguard the nation against the possibility of future war.

These views of Mr. Morgenthau (who was Ambassador to Turkey at the start of the first World War, and who for many years has

been an advocate of military pre-9paredness) were expressed in an | be for one purpose only-to preinterview at his home in New vent a vicious upward spiraling of York City on April 24, and given prices which would be disastrous in the New York "Times" of April 25, which indicated his further remarks as follows:

will depend upon our associates. We must consult the Russians, British and Chinese. That will be a very complicated task and no one can outline what may hap-

to prevent a recurrence of war, but we must realize that we must be prepared to face another war. I feel that the United States is awake now, realizing the situa-We are not going to be caught asleep again.

present war depended largely vention of profiteering, not to the upon the force of the United control of normal profits; States, Mr. Morgenthau added:

'Justice has been suspended for the present and force now dominates the world and is going to nation that controls the greatest ence in the world.

youth and strength for more force prise; than any other nation. The whole nation at present is being changed tem which will produce the greatwe work at this preparation to defend ourselves and win the war, the more convinced we will bepast was lack of preparation and It is going to take herculean efforts to make up the head start they have on us.

"This war is a fight to the fin-ish," he said. "I am sure that the American people now realize it."

Retailers Urge OPA To Make Changes For **Effective Price Control**

At a mass meeting of about 500 retailers at the Hotel Pennsylvania, New York City, on April 15, held to discuss the problems they are issued. In this way many of Governmental price control, a 13-point statement was adopted indicating the attitude of retailers toward recent regulations issued by the Office of Price Adminis-

In this statement the retailers indicated it as their desire "again to assure the Price Administrator of our deep and earnest conviction that a firm and effective system of Governmental Price Control is one of the needs of these times, as a means of checking in- tion flation." They added:

"Such a Price Control System can be achieved only through Government and business worksympathetically and understandingly together. In this spirit, retail merchants will go to every possible length to insure such cooperation. If the Price Administrator now will meet the retail merchants in this spirit, we believe we can guarantee to him that retailers everywhere will fully support him in his great task.'

In setting out their attitude toward OPA price regulations, the statement adopted at the meeting

"1. We state our unqualified approval of a firm and realistic system of governmental price con-

"2. Such price control should to rule that only one grade of sythe.

for consumers and business alike;

"3. Unless price control starts at the very grass roots, so that all The course we should pursue costs which enter the price structure are stabilized, there can be no hope of controlling final prices to consumers:

"4. We are unalterably opposed to the use of the authority of the Price Administrator for We must do everything we can purposes - or with the intent or result-of changing, or remaking, the American system of distribution;

"5. The Congress, in the Price Control Act of 1941, definitely limited the authority delegated to bught asleep again." the Price Administrator to the Declaring that winning of the stabilizing of prices and the pre-

"6. Notwithstanding the limitations placed by Congress upon the authority of the Price Administrator, it is self-evident that many dominate it for quite a while. The regulations issued by the Office of Price Administration are not force will be the greatest influ- limited to the control of prices but undertake to change the 'Fortunately, this nation has the American system of private enter-

Unless those chosen to administer laws are as punctilious into a complete and perfect syse in obeying the law as those who are to be governed by such laws, est force in existence. The longer no proper spirit of compliance can

be expected;
"8. We demand observance of the traditional American principle come that our greatest fault in the of representation in the drafting past was lack of preparation and and enactment of laws by which total disregard of the necessity of developing a greater war machine provided for in the Price Control than Germany and Japan have Act of 1941, and it has never been been working at for many years. observed properly in the preparaobserved properly in the preparation of the mandates of OPA;

'9. In order to promote that willing and eager cooperation which will insure effective price control, we urge the Price Administrator to make full use of the advice and information which retail merchants and their accredited representatives stand ready at all times to provide;

"10. To this end, we suggest representatives of retailers chosen by and from among themeselves be given ample opportunity to see and discuss with the officials of the Office of Price Administration all orders and regulations before costly misunderstandings and errors can be avoided:

'11. Specifically, we call upon the Price Administrator to withdraw the rayon hosiery regulation (MPR 339) and to disavow the repugnant principles contained in that regulation and to call together the representatives of the various branches of the hosiery industry to the end that they may participate in the drawing of a fair and effective price regula-

"12. The principles embodied in the rayon hosiery regulation to which we so strongly object, and which we regard as thoroughly un-American, are the following:

A. The establishment of various classes of purchasers and sellers. All retailers should be free to buy in the customary manner. The U. S. Government should not put itself in the position of favoring larger retail concerns by providing they shall buy at lower prices than other retailers.

"B. No price regulation should undertake to establish fixed standards of merchandise. It is the duty of OPA to control prices, not to dictate what shall, or shall not, be manufactured and distributed.

"If OPA did have the authority to dictate merchandise standards. then it would be a grave mistake Hand and Miss Margaret For-

merchandise may be produced. Such a rule not only would be unreasonable, but would seriously interfere with production and distribution, causing acute shortage of needed goods.

Price regulations must be based upon a realistic instead of theoretical approach. Hence, they must be closely related to the service and the cost experience of the individual merchant.

"13. The saving to customers promised by the OPA will not materialize because the regulation permits increases in price on approximately two-thirds of the entire production of hosiery which is unbranded.'

Non-Partisan Council To Win The Peace To Unify Peace Plans

With a view to intergrating and coordinating the activities of existing organizations which advocate post-war international cooperation a new Council, to be known as the Non-Partisan Couneil to Win the Peace has been formed. Its formation was announced at a luncheon in Chicago on April 16 attended by more than 600 sponsors of a plan to support United States participation in a post-war system of collective security backed by force.

Formed under the leadership of Edgar Ansel Mowrer, formerly Deputy Director of the Office of War Information and foreign correspondent of the Chicago "Daily News," and William Wesley Waymack, editor of the Des Moines "Register and Tribune," the new Council issued a "Declaration for United Action" calling for passage of the Ball-Burton resolution or some adequate equivalent and establishment of a permanent United Nations

The Council will not support disavow individual political candidates or attempt to take part in the internal affairs of political parties, Mr. Mowrer state, but will strive "to take the peace settlement out of politics.

In its first statement of policy the Council asserted:

"In the belief that the majority of Americans now favor a world order based on collective security backed by force, a group of committees headed by leading citizens has formed the Non-Partisan Council to Win the Peace. It seeks in no sense to replace other organizations with the same or kindred aims. Instead, it will concentrate on the formation of a common strategy and of objectives whose attainment may best lead to a durable peace.

It is stated that the organizations which have agreed to act through the Council are the Church Peace Union, the Council for Democracy, the Citizens Council for United Nations, the League of Nations Association, the Chris-War and tian Conference on Peace, the Committee on National Morale, the Citizens for Victory, the Freedom House, the World Trade Act Urged By Committee for Victory and Lasting Peace. Temporary headquarters have been established at 32 East Fifty-first Street, New York City

Among the announced supporters of the group are listed Wendell L. Willkie, Herbert Bayard Swope, Marshall Field, Mrs. J. Borden Harriman, former United States Minister to Norway; James B. Carey, Secretary of the Congress of Industrial Organizations; Robert J. Watt, international representative of the American Federation of Labor; Paul Scott Mowrer, Dr. Henry P. Van Dusen. Dr. Harry D. Gideonse, Dr. Frank P. Graham, Virginius Dabney, Dr. George N. Shuster, Mrs. Henry Goddard Leach, Mrs. Norman de Whitehouse, Mrs. Leonard

NY Stock Exchange Asks WLB For Equal **Treatment In Proposed Raises For Employees**

The New York Stock Exchange filed a petition with the National War Labor Board in Washington the latter part of last month asking that simultaneous approval be given to all proposed salary increases to employees of the Exchange and its affiliated companies. Approval of salary increases for the 384 employees of the Ex-

change's Department of Floor Operations, members of the N. Y. Stock Exchange Independent Employees® 8 by the Regional War Labor Board in New York, but no approval has yet been given by the Regional Board with respect to the applications for increases to the 535 other employees of the Exchange. This procedure, the Exchange contends, is unfair and has created gross inequities and inequalities within the single and unified Exchange organization and has created impossible operating prob-

lems. In a letter, April 21, to Stock Exchange employees, Emil Schram, President of the institution, explained the situation as follows:

"To the end that you may be fully informed as to the status of the proposed salary increases to employees of the Exchange and its affiliated companies, now pending before the War Labor Board, there is enclosed a copy of a petition for review and appeal, which was filed today by the Exchange with the National War Labor Board in Washington. Proposed salary increases to all employees of the Exchange organization have been before the War Labor Board since Jan. 22. A directive order issued by the New York Regional Board approved increases for the Department of Floor Operations. No announcement has yet been received from the Board with respect to the applications for increases to other employees. The Exchange, in its petition for review, asks that simultaneous approval be given to all proposed salary increases, so that all employees of the Exchange organization will receive their raises at the same time. The filing of this petition automatically postpones, until further action by the National War Labor Board, the effectiveness of the directive order of the Regional Board. The Exchange is not seeking to upset the salary scales approved for the Department of Floor Operations, but is endeavoring to insure equal treatment of the other employees by the War Labor Board.

"I am hopeful that final approval of all of the proposed salary increases, retroactive to Jan. 1, 1943, will be obtained in the near future. I believe that all of the proposed increases are fully and equally merited. The Exconsistently urged change has their approval before the War Labor Board and will continue to do so. It is obvious that the only fair decision must be to permit all the increases to be made at the same time.'

Renewal Of Reciprocal roreign i rade Council

Renewal of the Reciprocal Trade Agreements Act for another period of three years was urged on April 19 by Eugene P. Thomas, President of the National Foreign Trade Council, Inc., be-fore the House Ways and Means Committee. Testifying on behalf of the Council to support the demand of American foreign traders generally for continuance of the Act, Mr. Thomas said that continuance of the legislation is considered by the Council "indispensable to the safeguarding of our international trade interests, now and following the war." further said that "the record of nine years' progress under the Act shows conclusively that its operation has been beneficial to the welfare of the United States" and, in view of the fact that emergency

Association, was approved on April conditions will again be facing foreign trade in the post-war period, Congress should not at this critical time reverse its tariff policy.

> Mr. Thomas, before the House committee, also said, in part:

"While it is clearly in the selfinterest of the United States to participate actively with others of the United Nations in the world leadership that is demanded of us, it will likewise be in the best interest of other nations to know. in face of a disrupted world economy, that the United States is prepared to continue unequivocally its present foreign trade policy in a cooperative program of world economic reconstruction. No alternative to the present trade agreements policy has yet been devised which can meet so effectively the crucial days that lie ahead, nor should the soundness and permanence of this policy be qualified by limiting its duration to less than three years.

"The Act does not tie the hands of Congress, if at some future time circumstances should arise to compel the adoption of other measures. It is evident, however, that the industrial and agricultural interests of this country should not be subjected to disturbing changes relating to tariffmaking powers, which would detract from the paramount task of winning the war and the planning for post-war foreign trade reconstruction. Reversal of our foreign commercial policy at this stage would inevitably tend to disturb our future economic relations with our Allies and counteract efforts in Latin America to establish a solidarity of interest in the winning both of the war and the peace. It would be highly unfortunate at this time to create serious doubt in the minds of the other United Nations as to our willingness to cooperate in developing sound world economic relations in the post-war period. Nor would some foreign countries fail to point out that we have abandoned a policy which has served to augment and liberalize trade for eight years, and stand before the world without any alternate acceptable substitute for reciprocal and non-discriminatory trading.

"The United States is a leading partner in the task of world trade reconstruction. No really effective contribution can be made by the United States toward world rehabilitation except through a policy of greater liberalization of international trade amongst all nations. It is the firm conviction of the membership generally of the National Foreign Trade Council that the continuance of the Act is indispensable, if we would avoid serious complications and delays in respect to the reestablishment throughout the world of orderly commercial and economic relations.

National Maritime Day

President Roosevelt on April 26 roclaimed May 22 as National Maritime Day and praised merchant marine seamen for maintaining oversease shipments. The President called upon the country to give public recognition of the day and to display the flag. It is pointed out that on May 22, 1819, the steamship Savannah sailed from Savannah, Ga., on the first successful transoceanic voyage under steam power. Congress voted in 1933 that each year that date be designated as National Maritime Day.

Publishers Must Maintain Eternal Vigilance Against Government Restrictions and Control

Govt. Financed Advertising Smacks of Subsidy, W. M. Dear Declares in ANPA Address

Calling upon publishers to observe "eternal vigilance" against governmental restrictions, Walter M. Dear, addressing the ANPA as President, on April 21, the 57th annual convention of the American Newspaper Publishers Association, in New York City, expressed it as the publishers' belief that Government-financed advertising "smacks of subsidy" and would be "disastrous" to newspapers. The New York "Times" noting this

"Mr. Dear took issue with some newspaper groups that have approved the idea of Congress appropriating \$25,000,000 to \$30,-000,000 for advertising of Treasbond sales in daily and weekly newspapers.

"While we have the deepest sympathy for any of our fellow publishers who may find the going difficult," he added, "and realize the value and importance of the weekly press, we cannot subscribe to the wisdom of accepting a subsidy. Such a program would prove disastrous. Under such circumstances, no longer could the American newspaper maintain its claim of a free and independent press.

Any Government advertising, he warned, must be "safeguarded from political influence" and di-rected by responsible advertising experts, and must be regarded as falling in the same category as a

commercial advertising campaign. Mr. Dear said the ANPA is prepared to appear in the action brought by the Department of Justice against The Associated Press as a monopoly under the anti-trust laws if it feels such an appearance "will help preserve the right of publishers to gather their news in their own way and free from governmental control." He called the suit "a direct attack upon the integrity of a free press and an adroit attempt to regiment under Government control all sources of news.'

Mr. Dear, who is President of the Jersey City, N. J., "Journal," stated that the ANPA admits that the basic principle of advertising is just as applicable and will be equally as effective" for the Government as for private enterprise, but added:

'Government advertising must be safeguarded from political influence and directed by independent advertising experts who have demonstrated their ability and the confidence in which they are held by the newspapers.

"This confidence has been built up by the honorable and businesslike handling of the trust imposed in the expenditure of private funds. There would be no reason to believe that these gentlemen would be any less scrupulous in the proper handling of Government moneys.'

He said the idea might sound is the only fundamentally sound basis on which Government advertising can operate.'

may be a demand for a further etc., at the end of the war.

cut in newsprint, adding: "I "Executive orders are creating

imposing restrictive measures in should be repealed at the war's the use of paper," he said, "be- end." cause of scarcity and prior demands of war necessities, and with our acquiescence in increased price, it strains the limits of patience to note that the Government itself is the principal offender in wasteful practices in the use of paper."

At its session on April 22 the Association unanimously adopted a resolution introduced by William Dwight of the Holyoke (Mass.) "Transcript Telegram" authorizing its President to appoint a committee of five memofficial representative if called supplies was given by W. G. Service Society, \$1,025.

before congressional hearings.

The resolution permits the committee "to take such action as in their judgment seems necessary for the protection of the rights of newspapers to gather and disseminate important public information.'

It further permits the committee "to take any action necessary to protect newspapers' sources of supply in both raw materials and man-power in order that the essential service of the press in support of the war effort shall be maintained.'

At the opening session of the convention of the Association, on April 20, Clare Marshall of the Cedar Rapids (Iowa) "Gazette" declared that the American people are demonstrating confidence in the press "by buying more papers than ever before in history.'

Mr. Marshall presided over the session devoted to problems of particular interest to newspapers with circulations of less than 50,000. Asserting that Americans love argument and debate, Mr. Marshall said: "While we retain our American prerogatives, complaints and criticisms will always along with Government, of some well-directed shots.

Americans, Mr. Marshall said, turn "instinctively" to news-papers for the truth. He predicted that in the future newspapers may need to give more emphasis to interpretative writing, not "to deliberate coloring of news or the individual commentator type of reporting, but to the conscientious efforts of responsible newspapers and news agencies to provide background information that will help the public understand the factual news of current events.

From the New York "Times" it is learned that in a report sub-mitted by W. F. Wiley of the Cincinnati "Enquirer," as Chairman of the Committee on Federal Laws, attention was directed to the "almost daily" receipt from many Washington departments of orders and directives which vitally affect newspaper publica-tion. From the "Times" we also

"While it may be conceded that many of these have been and are essential to the war effort and "Utopian, but in our judgment it have been complied with," the report said, "serious consideration should be given now to the necesertising can operate."

Sity of repealing these plenary powers to commissions, bureaus,

cut in newsprint, adding: "I "Executive orders are creating warn you that it will be followed and will create greater distress to shortly by a demand for a further the publishing business than any increase in price. Neither will be laws ever enacted by Congress, quiescently accepted in the ab-sence of impressive factual data." extraordinary powers on execuextraordinary powers on execu-"With Government on one hand tive and administrative officials

> The report said the proposed congressional investigations into some of the activities of executive departments and agencies, especially in connection with governmental efforts to establish grade labeling and discard private \$4,575; Berkshire Industrial Farm, brand names of articles and commodities, "indicate a healthy return to government by legislative

rather than executive decree.' A warning that newspaper publishers must effect greater condensation and other economies in \$1,500; New Orleans Community the use of newsprint if demands and War Chest, \$1,175; Girl Scouts. bers to serve as the organization's are to be kept within anticipated Inc., \$1,124; and Community

Chandler, Director of the Printing and Publishing Division of the War Production Board. Mr. Chandler, who is also general manager of the Scripps-Howard newspapers, said there must be no relaxation of present lines if further cuts are not to be forced.

Linwood I. Noyes, President and publisher of the Ironwood (Mich.) "Globe," was elected President of the Association at the closing session of the convention on April 22.

W. G. Chandler, Scripps-How-ard newspapers, New York, was elected Vice-President; Norman Chandler, President of the Los Angeles "Times," Secretary, and E. S. Friendly, General Manager of the New York "Sun," Treas-

Goetz Resigns From 20th Century To Form Own Producing Unit

William Goetz, Vice-President in charge of production for 20th Century-Fox is resigning from the company to form his own producing company, it was announced April 27 by Spiros Skouras, President of the corporation.

His resignation has been ten-Board of Directors, to become effective at the conclusion of his currently scheduled productions, among which are "Jane Eyre." "Guadalcanal Diary," "Claudia,"
"Song of Bernadette," "Life Boat,"
"Pin Up Girl," "Sweet Rosie
O'Grady," "One Destiny," "Happy
Land,,' and "The Girls He Left
Behind."

Mr. Goetz's resignation was accepted by company officials with expressions of regret and warm tribute was paid to his executive and production ability and his building up of the organization which earned a profit of more than a million dollars during Mr. Goetz's regime.

"The resignation of William Goetz was accepted by the com-pany with deep regret," President Skouras stated. "Mr. Goetz was one of the founders of the organization that now stands as 20th Century-Fox. As an executive and producer he has made many important contributions. His character as well as ability have been a distinct asset to us. leaves the warm admiration of the organization will accompany him and we will wish him great success in his new venture.

NY Community Trust First Quarter Grants

Out of \$75,636 distributed for philanthropic purposes by The New York Community Trust during the first quarter of 1943, 28%. or \$21,310, went to the American Red Cross. Of that amount, \$10,-000 was contributed in New York and other donations were made to chapters in Chicago, Baltimore, Dallas, Atlanta, Kearny, N. J., Los Angeles, Minneapolis, New Or-leans, St. Louis and Wilmington, Community Trust further announced:

'The Salvation Army, which received \$8.937, was second in volume of allocations, followed by Henry Street Visiting Nurse Service, to which \$5,179 was paid.

"Recipients of other grants included: Bowery Branch Y.M.C.A., \$5,100; Hebrew University in Palestine \$4.808; F. D. Barstow Memorial School, Chittenden, Vt., \$2,000; Manhattanville Day Nursery, \$2,000; Neighborhood Day Nursery of Harlem, \$2,000; Stevens Institute of Technology. \$1,875; Federation for Support of Jewish Philar.thropic Societies,

Federal Farm Lending Agencies Should **Gease Soliciting Loans, Says Mullenix**

Regardless of whether or not certain Federal lending agencies in the agricultural field should be liquidated now, no sound reason exists for their continued solicitation of loans from farmers, Charles A. Mullenix, President of the Mortgage Bankers Association of America, declared in a statement on April 18. Mr. Mullenix stated: "The time is now here for all solicitation of mortgage loans by

Federal agricultural lending agencompanies and others, can supply and on terms more favorable than ever before in their history. Continued subsidies to Federal farm lending agencies is simply a waste expected to, and will, carry on of taxpayers' money. They are no most of their usual functions. The longer necessary for any valid reason.

Mr. Mullenix said he believed the recent report of the Byrd Committee on Reduction of Non-Essential Expenditures deserves greater public consideration than it has so far received. Among other things, it urges "legislation for the immediate liquidation of the Regional Agricultural Credit Corporation.'

This Federal agency has been under attack for several months by commercial bankers who have contended that the type of credit it could extend can be liberally dered to and accepted by the supplied by 11,000 country banks. The Byrd report declared that the emergency calling for the revival of the RACC does not exist, that its credit facilities are duplicated in other agencies and that its 3,000 full or part-time employees could be better used in war work. In his observations Mr. Mullenix said:

"One of the most important suggestions in the Byrd report is that which called on the Secretary of Agriculture to 'immediately issue a regulation requiring that the various agricultural lending agencies discontinue the solicitation of borrowers.

"No more sensible and reasonable suggestion could be made at this time. Why should lending agencies, subsidized by Federal funds, be allowed to solicit borrowers today when the loans can be made by private lenders on favorable terms? The agricultural lending agencies have no justification whatsoever in refusing to comply with this suggestion.

ABA Wartime Personnel Administration Manual A manual of wartime personnel

administration for banks has been prepared by the Department of Customer and Personnel Relations of the American Bankers Association and is ready for distribution, it is announced by William Powers, Deputy Manager of the ABA who is in charge of the department. Based upon six months of study and on personnel conferences held by the ABA in every Federal Reserve district, the manual consists of 23 sections containing analyses of bank personnel shortages in wartime and related problems.

Chief among these 23 sections Prosperity Of South are those dealing with "Sources of "The Forty-Eight Bank Hour Week," "Deferment Experience" and "Deferment Procedure" adopted by many banks, and a discussion of the War Manpower Commission's "Manning Tables." The Association's announcement April 22 added:

"The conferences out of which much of the factual information contained in the manual was developed consisted of a series of months throughout the country. Fifteen hundred back officers who attended these clinics will receive copies of the manual, which summarizes the information | tice. presented at the meetings by bank perconnel men.

tional services which banks have the South is the freight rate strucbeen called upon to perform be- ture.'

cies to stop because private lend- cause of the war, such as ration ers, including banks, insurance banking, war production and government financing, foreign funds all funds needed today at rates control and factory payroll work.' The manual states:

"In addition to these war activities, our financial institutions are ordinary, everyday banking facilities for deposit, withdrawal, ex-change, transfer, collecting, lending, investing and safekeeping are far more important now than in so-called normal times. Maintenance of these functions is the responsibility of the banking system. It is endeavoring to carry the full load in spite of the handicap occasioned through loss of many of its trained personnel to

military and other purposes.' Copies of the manual may be obtained at ABA headquarters in New York.

Amend NY Unemployment Insurance Reporting Rule

Milton O. Loysen, Executive Director of the New York State Division of Placement and Unemployment Insurance, on April 21 reminded employers that under an amended regulation of the State Unemployment Insurance Law they must now furnish information concerning their former employees to the Division regardless of why the persons became unemployed. Mr. Loysen said:

"In the past, employers were required to submit information only when they believed that a person should be disqualified from receiving benefits. Now they must comply in all cases when requested. If they fail to comply they are guilty of a misdemeanor.

"When a person files his first claim for benefits in a benefit year, we immediately request from his last employer certain relevant facts on a form entitled 'Separation Notice.' This form, at present must be filled in, signed and returned to us within six business days. Where claims are for second and subsequent periods of unemployment in the benefit year, the forms must be executed and returned within three business days. To simplify matters, beginning May 24, this form must be returned within four business days in all instances.

"We do not want to impose any unnecessary paper work on employers," concluded Mr. Loysen. But I cannot emphasize too strongly that they must comply with this regulation if we are to administer the Unemployment Insurance Law fairly and effec-

Del. Under date of April 15 the Staff Replacements," "Women in Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Freicht Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further an- Bank Work," "The Forty-Eight Potentials In Proceedings of Community Trust further and Freight Rate Discrimination

The post-war prosperity of the South depends mainly on the elimination of present freight rate discrimination, Governor Prentice Cooper of Tennessee told a conference of Southern Governors, at Atlanta, on April 16, said United Press advices, which further stated:

Governor Cooper, Chairman of personnel clinics held in recent the Southern Governors Conference, said the "present freight rate structure discriminates against regions with flagrant disregard of the fundamental principle of jus-

He said he was "convinced that the greatest single obstacle toward "The manual outlines the addi- raising the per capita wealth of

House Group To Study Puerto Rican Conditions; Tydings Introduces Bill For Independence

The House adopted on April 20 a resolution authorizing its Committee on Insular Affairs to conduct a study and investigation of political, economic, and social conditions in Puerto Rico. The resolution was sponsored by Representative Bell, of Missouri, Chairman of the House Insular Affairs Committee. The House on April 22 appro-

priated \$25,000 for the inquiry. A bill providing for the complete for the safeguarding of American unconditional and absolute indepedence of Puerto Rico was introduced in the Senate on April 2 by Senator Tydings (Dem., Md.), Chairman of the Committee on Territories and Insular Af-

Senator Tydings said that he believes this is the only solution to the Puerto Rican problem and that in the long run they would 'be better off than they would be under our stepchild policy, which

solves nothing."
Generally, the bill follows the lines of the Philippine Independence Act, except that it provides for immediate independence for Puerto Rico whenever a constitution satisfactory to the people there and to the President of the United States shall have been adopted. The bill provides for the retention by the United States of air, naval and military bases on the island and also provides page 1119.

interests.

In introducing his bill, Senator Tydings said that "Puerto Rico is the one large, thickly populated island which we obtained by conquest in the War with Spain which still remains under our sovereignty. As part of the goodneighbor policy this little country should also have the opportunity to become independent."

It was pointed out that this bill is not the result of the trip taken by the sub-committee of the Territories Committee to investigate social and economic conditions in

Puerto Rico.

President Roosevelt recommended to Congress on March 9 that it consider amending the organic law of Puerto Rico so as to permit the Island people to elect Relief Cost Taxpayers their own Governor; this was referred to in our issue of March 25,

OPA Price Geilings Accorded Law Status In N. Y. State; Violators Subject To Local Action

All price ceilings and regulations issued by the Office of Price Administration are now law in New York State, in accordance with a resolution adopted April 28 by the State War Council. To this end, all city, county, village and town police, as well as State police and other State enforcement officials, are authorized to arrest violators of OPA rulings and, if adjudged guilty in the courts, they

are liable to a fine of up to \$25 or a five-day jail sentence for each forcement of any such rationing,

offense.

In announcing the action of the War Council, of which he is Chairman, Governor Thomas E. Dewey explained that the council acted on the authority of the war emergency act, which gives the council full authority to promulgate rules and regulations with the force and effect of State law. "To be effective in the fight against inflation," he said, "price ceilings must be universally enforced," adding that "continuance of the rule by the War Council will be dependent upon such enforcement in other States." Furthermore, he said, "if we are to prevent our food supplies from being diverted from New York State to other States, it is imperative that the other States adjoining New York adopt similar enforcements and that better enforcements be provided by O. P. The Governor described the action as the most sweeping ever taken by the State War Council and said that no similar move has been taken in any other State.

Text of the War Council reso-

lution reads as follows:

"Whereas, wide-spread violations of price ceilings are endangering the equitable distribution of food supplies to the people of the State of New York and tend to the breakdown of measures-designed to prevent inflation; and

the State of New York desires to take all steps legally possible to prevent inflation and a shortage of food in the State without in any manner approving all of the policies or the details of the price regulations by the Office of Price Administration, but finding that the promulgation and enforcement of such rules as shall, from time to time, exist, is imperative;

"Whereas, sub-division 6 of Child Nurseries Called Section 7 of the New York State War Council Emergency Act empowers the New York State War

freezing, price fixing or other order or regulation; and

"Whereas, Chapter 171, Laws of 1943, Section 101a of the War Emergency Act, declares courts of special session outside the City of New York and City Magistrates' Courts in the City of York, in the first instance, New shall have exclusive jurisdiction to hear and determine charges of violations constituting misdemeanors or infractions under this act or under any rule, regulation or order duly promulgated pursuant to this act, committed within the territorial jurisdiction of such courts, such exclusive jurisdiction in the case of misdemeanors shall be subject to removal to another court or to divestment on account of indictment or otherwise in the same manner and to the same extent as is now or may hereafter be provided by law with respect to charges of misdemeanors generally in such respective courts; now, therefore, be it 'Resolved, that

"1. Solely for the purpose of enforcement, all regulations and orders established by the Price Administrator pursuant to the emergency control act of 1942, as amended by public law 729-77th Congress, are hereby adopted and promulgated in the State of New York.

"2. Every violation of any such regulation or orders shall consti-"Whereas, the War Council of tute and be an infraction of this order, tryable and punishable pursuant to the provisions of the New York State War Emergency Act, as amended.

> "3. This order shall continue in force and effect until June 30, 1944. unless sooner rescinded by the State War Council.

"4. This order shall become effective immediately.

Form Of Regimentation

Lieutenant - Governor Thomas Council to adopt and promulgate W. Wallace on May 2 warned 2, in this State any rationing, freez- 000 members of the Fire Departing, price fixing, or other order ment Holy Name Society that of regulation imposed by the au- "certain groups" were seeking to thority of the Federal Govern- bring about the regimentation of ment; and to adopt rules and issue children through nursery care sharply, reflecting emergence from orders with respect to the en- while their mothers were at work the depression.

in war industry, according to the New York "Times" of May 3, which added in part:

Speaking at the Communion Breakfast in the Waldorf-Astoria of the Holy Name firemen from Manhattan, the Bronx and Richmond, Mr. Wallace said that regimentation would come in the United States unless "we, as Catholic men, are alert to stop every slight movement in that direction.'

"Every one realizes," he con-tinued, "that some provision has to be made for the care of children of mothers who are working in war industry. But that doesn't mean that any government agency or group or community should take care of the child permanently -and still right here in New York City such permanent care of children is being advocated by certain groups. Some of the advocates of such programs would take the child in the morning, keep him all day, supervise his play and his education and give him back to the mother only to be tucked into bed at night.'

\$25 Billion, 1933-43

Relief in the form of doles or payments for work on public projects cost the American taxpayer nearly \$25,000,000,000 during the 1933-43 decade, according to Associated Press advices from Washington on April 25, which gave further details as follows:

That sum, including the money spent by Federal, State and local governments, exceeds the entire national debt through 1933, but is less than a third of what the Federal Government alone will spend in the war-time fiscal year ending

Shown in data compiled by the Social Security Board, the sum covers "payments to recipients of public assistance and earnings of persons employed under Federal work programs in the continental United States January, 1933-December, 1942." It does not take into account money spent for administrative purposes or for the purchase of materials.

Biggest single item in the \$24,-829,692,000 outlay was \$9,042,928,-000 in Federal funds paid those on the rolls of the moribund Work Projects Administration.

The second greatest single item was \$6,055,431,000 credited by the Security Board to "general assistance" provided exclusively by the State and local governments without matching Federal funds.

Third was \$3,024,251,000 expended on old-age pensions, with the Federal and State governments sharing the cost and, fourth, \$2,139,008,000 that went to enrollees of the Civilian Conservation Corps.

Other expenditures in the 10year span, which the Security Board said coincided roughly with the first decade of Federal participation in public aid, were given

to dependent children, \$900,306,000; aid to the blind, \$158,976,000; Federal Emergency Relief Administration (predecessor to the WPA), \$186,158,000; Farm Security Administration, \$137,268,000; National Youth Administration, \$508,492,000; Civil Works Program (also a WPA forerunner), \$718,016, and projects operated by various Federal agencies on emergency funds, \$1,958,-858,000.

From January, 1933, through December, 1942, the Security Board figures show, pensions paid dependent children, the aged and the blind grew steadily

Most of the other expenditures, made chiefly to benefit of the unemployed, had passed their peak by 1939 and were dropping

"Creeping Coercion By Directives Without **Congressional Authority" Opposed**

U. S. Chamber of Commerce Takes Stand In Resolution At Annual Meeting

The Chamber of Commerce of the United States, in a series of resolutions adopted at its 31st annual meeting in New York City on April 29, termed the foundation of essential unity in prosecution of the war, and in post-war reconstruction, "adherence by our governments—Federal, State and local—to policies in conformity with constitutional guarantees"; and urged the formulation and pursuit of policies "designed to?

purposes and objectives.' Regarding other resolutions, the New York "Sun" of April 29 re-

It also called for the appointment of an administrator of civilian supply, "with a right to be heard in war councils"; and declared, in discussing the man-power situation, that "compulsion under the guise of voluntary action should not be taken," that "creeping coercion by directives, without Congressional authority, should cease."

Another resolution asserted that full and efficient production in war and peace alike "requires freedom for management to operate without unreasonable Governmental interference, and without the assumption of managerial functions by labor leaders or any others who are not responsible to the owners of a business."

The Chamber also went on record for enactment by Congress of specific safeguards from abuse of

remove any cause for doubt about of employers, employees and the public are adequately protected, and called for laws requiring financial accountings by unions, and for curbing the Labor Relations Board, "which is extending its statute to supervisory employees who act only for management."

> "Congress should take steps to guard war production and the public safety against domination by any labor or other organizathe resolution declared. 'All Federal legislation affecting the rights of employees and employers should be amended to give a right to have court review of all decisions not now subject to appeal, and to afford equal protection to employees and employers."

Regarding price control, a resolution declared that in all such legislation full account should be taken of changes in labor and other costs, and that price con-trol should not be administered labor laws, in which the rights for purposes of profit control.

Mutual Savings Bankers Meet Today In N. Y. To Discuss Economic Outlook And Problems

Will Analyze Whole Process Of Gov't Financing

Prospects for savings and the national economic outlook will be discussed in New York by representatives of business, banking and the Government today and tomorrow (May 6 and 7) before delegates attending the 1943 meeting of the National Association of Mutual Savings Banks. The breadth of the program indicates that the whole process of financing the Government is to be analyzed. Myron S. Short, Executive Vice-President.

President of the Savings Banks Association of the State of New York, will welcome the delegates. Levi P. Smith, President of the National Association and President of the Burlington (Vt.) Savings Bank, is to review events of the year and point to trends of the future.

Speaking for the Government, William M. Robbins, National Director of Sales, War Finance Committee, is expected to describe how modern merchandising methods have made possible the Second Victory Loan Drive. Mr. Robbins is scheduled to speak at the opening session of the meeting this morning (May 6), and his address will be broadcast over the coast-to-coast network of W. Aldrich, Winthrop Chairman of the Chase National Bank of New York, will deal with the national prospect, speaking upon the theme of "Savings and War Finance." Henry Bruere, liaison officer for mutual savings banks and the Treasury Department, and President of the The Bowery Savings Bank of New York, is to discuss the contribution of mutual savings banks and their depositors to the Government.

Other speakers at today's session include Senator Austin (Rep., Vt.), discussing the manpower requirements, and A. George Gilman, President of the Malden (Mass.) Savings Bank and Chairman of the Association's Committee on Federal Legislation. symposium dealing in detail with banking issues of the day will also be held.

At tomorrow's sessions the F. Place, Vice-President in charge of finance of the New York Central System; W. H. Duff of Duff Nadler, Professor of Finance of with their employer."

of the Buffalo Savings Bank and New York University; William Benton, Vice-Chairman of the Board of Trustees of the Committee for Economic Development; Walter R. MacCornack, Dean of the School of Architecture of Massachusetts Institute of Tech-nology and Chairman of the Committee on Post-war Reconstruc-tion, and Abner H. Ferguson, Federal Housing Administrator. A second symposium, dealing with what savings banks should do in building the city of the future, will also be held.

Florida Legislature **Votes Ban On Closed-Shop Contracts**

Voters To Consider Plan

The Florida House on April 29 concurred with two Senate changes in a proposed constitutional amendment which would outlaw closed-shop tracts in the State. The proposed amendment, the Associated Press reported from Tallahassee, will be considered by the voters at the 1944 general election and, if approved, Florida will become the first State to abolish the closed shop by constitutional amendment.

As amended by the Senate, the proposal changes the Florida Bill of Rights to read that "the right of persons to work shall not be denied or abridged on account of any membership or non-membership in any labor organization or union; provided that this clause scheduled speakers are: Willard shall not be construed to deny or abridge the right of employees by and through a labor organization & Phelps, Chicago; Dr. Marcus or union to bargain collectively

Reversing Selective Service Suggested For Post-War Readjusting To Civil Life

Plan Submitted By Gray of Grenby Mfg. Co.

A plan for reversing the Selective Service System so as to assure the men in the armed forces of a proper place in civilian life after they are demobilized was suggested on April 24 by Carl A. Gray, Connecticut manufacturer, former State director of the War Production Board, and originator of the successful "Connecticut Plan" for industrial defense training.

Mr. Gray, who is President of . the Grenby Manufacturing Co. of to egress. Going out of the Army Plainfield, Conn., and the Newton, should be as meticulous a process Thompson Co. of Brandon, Vt., believes that the process can be reversed and that it provides the simplest solution to the problem of adjusting the millions of soldiers, sailors and marines to civilian life as they are discharged from the service.

Regarding the plan, outlined in an interview on April 24, the New York "Times" of April 25 reported:

Mr. Gray emphasized that it is not sufficient for national programs to merely plan jobs for returning soldiers. The service men, many of them youngsters just out of school, will require vocational guidance and in many cases vocational training if they are to be fitted for useful civilian life, Mr. Gray says.

He believes that the sifting and training facilities that now operate to put men into the armed services can be utilized in conjunction with educational facilities available in local communities to fit the returning service man into peace-time pursuits. He suggests that such a program be organized now to adjust disabled soldiers to civilian life, and that the program be expanded as the volume of discharged service men increases. He believes the program should be organized on a State or commu-nity basis with Federal coordina-

"It is possible to forecast trends in business," Mr. Gray said, "and and opportunities. it is possible to forecast manpower needs, even in specific categories. Not only is it possible, but it is being done every day now. Why should the adjustment, the training of new entrees into the business and commercial world be left to chance, when in war it can be done so specifically?

"Men are being chosen every day in the Army for the Air Forces, to drive a tank, for the Adjutant General's office, to become cooks, infantrymen, or to go to Officers' Candidate School. By reversing the process of Selective Service, we can make these things come true in civil life; we can say with a degree of certitude that a great many cooks, truck drivers, tool makers, school teachers, lawyers, physicians, clerks or textile machine operators are going to be needed in a certain area. Then we must proceed to train our demobilized troops who are not definitely and certainly tied in with a job or a business.

'Many of these men, through former connections, family, or friends, will slide back noiselessly into civilian life; but we must focus our attention on those who otherwise would be left adrift.

They should get as thorough a went into the Army. Their vocational interview must be no cursory thing. It should last for an hour or for a day, if necessary. Aptitude tests must be given. following agreement:
Trained employment experts and "1. It is consider. psychologists must consult with the soldier, talk to him about his plans, and steer him into the right kind of training.

retreat into a menial job, and the stances of war economy in order I. Q. of 75 must be dissuaded from to recommend appropriate meastrying to study medicine. It is not ures of regulation and adjustment. weeding process is going on in economic relationships between every Army reception center in the two countries in such a way

as going in.

Mr. Gray believes that the Federal Government should bear the expense of fitting a war veteran for a useful job.

"The Government trains and pays men to learn to kill. How much better to pay them to learn to live and to produce for our general welfare," he said. "When the Government takes a boy from school, puts him in the Army, trains him rigorously to kill, then the Government has taken something from that boy. It should be the Government's responsibility to see that he is properly adjusted to civilian life when his Army life is finished.

in the service have had superior education. The 90% have nobody to speak for them, and many of these men are bound to just drift unless the Government helps them. They must not be permitted to drift. We don't want veterans selling apples on street corners after this war.'

It is added that Mr. Gray suggests, specifically that the program be headed by a small council composed of the heads of various cooperating agencies, which would include educational groups, labor organizations and employer's associations. A research section would be set up to study trends in business and industry and to survey employment needs

US And Mexico Form Economic Committee

Creation of a joint United States-Mexican Committee to formulate a program for economic cooperation, after making a study of the balance of international payments and the resulting Mexican economic situation, was announced on April 29 by the State Department. The agreement to create an economic committee made up of two representatives from each country, the Department said, was reached by President Roosevelt and President Avila Camacho, respectively, as the result of their recent reciprocal visits in Mexican and United States territory.

Roosevelt met President Mr. Avila Camacho at Monterrey, Mexico, on April 20 (referred to in our issue of April 22, page 1490) and the following day President Avila Camacho returned the visit at Corpus Christi, Texas.

The State Department's announcement follows:

"As a result of the welcome opportunity afforded by the reciprogoing-over as they got when they cal visits made by President Roosevelt and President Avila Camacho, respectively, in Mexican and United States territory. the two Presidents reached the

"1. It is considered desirable that expert economists undertake the study of disturbances in the balance of international payments and the related economic situa-"The man with an I. Q. of 155 tion of the Republic of Mexico remust be discouraged from seeking sulting from the peculiar circum-

impossible to accomplish this. It "2. Such measures would have is being done every day. The as their objective the handling of The machinery is that the production of strategic available. All we need to do is materials by Mexico should not

quantity should not be lessened, and in order to insure the stability of such production and its possible development, it is recognized that the cooperation of the United States will be indispensable.

"3. To this end and in order to assure that the economic relations between the two countries be continued on the most equitable basis, it has been decided:

"I. To create an economic committee made up of the representatives from each country which will study the balance of international payments and the resulting economic situation of the Republic of Mexico and formulate as the result of such study a program for economic cooperation.

"II. This committee will fix as its place of meeting either Mexico City or Washington, and in the course of its studies the committee will be afforded by both governments all necessary informa-

"III. This committee will commence its studies May 1 and will conclude its deliberations not later than June 15 of the present year.'

"Only about 10% of the men Favors Post-War Training For Youth

(Continued from page 1683) partly military, but he was impressed by the benefits in physical condition and mental alertness that men and women in service and war-workers uniforms have realized

4. He found the country as a whole has a better perspective on the war, a better sense of proportion, is soberer in temper and more intelligent in its attitude than a good part of Washington.

The itinerary of the President's trip follows, according to the As-

Seventeen days of crowded activity formed the background for Mr. Roosevelt's conclusions. After leaving Washington, his first stop was the Parris Island, S. C., Marine base. From there the intial phase of his swing took him through Alabama, Georgia, Tennessee, Arkansas, Oklahoma and Texas, with stops at various war centers, to Monterey, Mexico, for his meeting with President Manuel Avila Camacho. That much of the trip was made known after the Monterey meeting, when the two Presidents issued their statements of solidarity in the war.

From Monterey, Mr. Roosevelt went to Denver and then came back to Washington by a route through the middle of the country. Altogether, he visited 11 Army posts, a Marine base, a WAAC school, a Naval air training center and four war plants.

training, including simulated warfare, ate Army meals on three occasions, and, in factories, saw the production of planes and ammunition.

Here is the schedule he followed from Monterey back to Wash-

station, Corpus Christi, Texas; his family at the Texas ranch of his son, Elliott, who is with the American forces in North Africa; April 23, traveled to Colorado; April 24, visited Camp Carson, near Colorado Springs, an ammunition plant at Denver, Lowry Field, where Air Force technicians are trained, and Fitzsimons General Hospital; April 25, inspected Fort Riley, Kan., and attended Easter services there; April 26, stration at Fort Knox, Ky., of Omaha; April 27, reviewed 15,000 by night trip to Washington. troops at Jefferson Barracks, Mo., reverse the process from ingress be prejudiced and that their ville, Ind.; April 28, saw demon- April 22, page 1490.

Auto Workers Seek Post-War Security Fund-Also Increased Bonuses Instead Of Vacations

Representatives of 300,000 members of the United Automobile Workers of America, CIO, employees of General Motors Corp., meeting at Detroit, April 30, heard Walter P. Reuther, UAW-CIO Vice-President, demand that General Motors Corp. establish a post-war security fund for the benefit of its regular employees, including men in the armed forces. Among other demands by Mr. Reuther

which the delegates approved was one for an increased schedule of bonuses in lieu of 1943 vacations, ranging up to 120 hours' pay for employees with five-years' seni-

About 100 delegates from General Motors Corp. plants in which the union has representation met to discuss terms for reopening the wage sections of the contract between the union and the com-

It was also recommended by Mr. Reuther that the corporation be asked to join the union in demanding that the Government institute industry-wide wage stabi-

lization discussions.

Mr. Reuther also proposed that the conference put itself on record before the Government in asking a termination of the recent wagefreeze order, establish machinery through the War Labor Board for wage stabilization, roll back prices or raise wages to correspond to the current price level and guarantee pay for a 40-hour week with the recommendation that the work week be 48 hours.

Finally, acting on the incentive pay question, the conference adopted a resolution expressing opposition to "piece work under any name" and called upon the international board to take firm and decisive position against any and all forms of so-called incentive pay.

The resolution was construed as criticism of the Executive Board's recent action in Cleveland. The Board went on record against incentive pay in principle, but authorized Richard T. Frankensteen, a Vice-President, to sit on a War Production Board Committee studying incentive pay

Mr. Reuther said he based his security fund proposal on the theory that the company was already setting aside a huge fund for post-war rehabilitation of machines. He said the reserve fund for machines already amounted to about \$48,000,000 and urged that an equally large fund be set up for workers.

Tons Per Carload Freight At Record

In 1942 railroads of the United States attained a new high record in the average number of tons per carload freight, the Association of American Railroads announced on April 23. The aver-He saw troops in all stages of age for that year was 40.1 tons per car. This is the fourth consecutive year in which a new high record has been established. In 1941, the average was 38.2 tons and in 1940, it was 37.7 tons.

This record, the Association's statement says, resulted from the tions Counsel and past President April 21, inspected Naval air country-wide program in which of the Conference on Association shippers and receivers of freight April 22, rested with members of have united to produce maximun: efficiency in the loading of cars and also from General Order ODT No. 18, applying to carload freight, which became effective Nov. 1, 1942, and which requires cars to be loaded heavier than in the past. By increasing the average load per car, greater utilization is being obtained from available equipment.

visited Martin bomber plant at Armored Force tactics, followed

The first part of the President's near St. Louis, and visited Repub- tour, including the visit to Mexico, lic fighter plane plant at Evans- was referred to in our issue of

Communist Pamphlet Attacks Rickenbacker

The Communist Party, through its "front" groups and controlled labor unions, has launched a national attack on Capt. Edward V. Rickenbacker, it was learned on April 27, according to the New York "Journal-American," which further reported:

Fecal point of the drive against the World War I ace and outstanding patriot is a two-cent pamph-let, "The Real Rickenbacker," written by Sender Garlin and issued by the "Workers Library Publisher.

This pamphlet is now on the 'must" list of all Communist Party propaganda agencies and is being widely distributed through Red cells in the maritime, aircraft and similar war industries.

Rickenbacker, who a few months ago spent three weeks on life raft following a plane crash while he was on a Government mission in the Pacific, has condemned absenteeism, racketeering and warned "Communists to get into Uncle Sam's uniform and pay their share of the obligation for the privileges they are enjoying."

Garlin, author of the pamphlet and feature editor of the official publication, Communist Daily Worker," attacks America's ace flier as a "reactionary" and "anti-labor," adding:

"Rickenbacker seeks to discredit the social gains achieved by labor and the people-gains commonly identified with the New Deal.'

As far as is known, Garlin has served his country by spending three years in Moscow as correspondent of his newspaper. Unlike Rickenbacker, he is of draft age.

Haase Made Executive Of Controllers Institute

Paul Haase has been appointed Assistant Secretary of the Con-trollers Institute of America and Managing Editor of its official publication, "The Controller." Prior to this appointment, which became effective May 1, Mr. Haase was Associate Editor of 'Credit and Financial Manageofficial organ of the Nament." tional Association of Credit Men, and director of public relations and promotion of that organization.

Before joining the staff of the credit men's group in 1931, Mr. Haase was with the old New York A graduate of New World." York University, Mr. Haase is the author of numerous articles on economic and business trends. He is a national director of the National Association of Public Rela-Publicity. As Assistant Secretary of the Controllers Institute, Mr. Haase will aid in carrying out its functional activities, in addition to serving as Secretary of several of its committees.

Saudi Arabia Lend-Lease

The White House announced on April 19 that President Roosevelt had authorized extension of lendlease aid to the Government of Saudi Arabia, one of the nations' in the strategic Middle East area. United Press Washington advices of April 19 said:

"The United States has been strengthening its diplomatic representation in the Middle East and the lend-lease authorization is believed to reflect official conviction that the Moslem world is now substantially on the side of the United Nations.'

Electric Output For Week Ended May 1, 1943 Shows 17.0% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 1, 1943, was approximately 3,866,721,000 kwh., compared with 3,304,602,000 kwh. in the corresponding week last year, an increase of 17.0%. The output for the week ended April 24, 1943, was 19.9% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

| | | 110 | AL ADELEGICA | | |
|--|--------------|-----------------|--|----------------|--|
| Major Geographical Divisions- New England | May 1 8.1 | April 24 9.5 | April 17 | Apr. 10 9.4 | |
| Middle Atlantic | 13.0 | 16.7 | 15.7 | 15.3 | |
| Gentral Industrial | 14.3 | 17.3 | 17.0 | 15.0 | |
| West Central | 12.9 | 14.4 | 13.8 | 12.4 | |
| Southern States | 19.5 | 24.9 | 20.3 | 19.7 | |
| Rocky Mountain | 15.0 | 13 9 | 14.8 | 10.6 | |
| Pacific Coast | 32.4 | 32.€ | 30.4 | 26.9 | |
| | Management . | - | Ministration of the Control of the C | | |
| Total United States | 17.0 | 19.9 | 18.4 | 16.9 | |
| | | | | | |

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

| Week Ended— | 1943 | 1942 | % Change 1943 over 1942 | 1941 | 1932 | 1929 |
|-------------|-----------|-----------|-------------------------------|-----------|-----------|--|
| Feb 6 | 3.960.242 | 3,474,638 | +14.0 | 2,989,392 | 1.578.817 | 1.726.161 |
| Feb 13 | 3.939.708 | 3,421,639 | + 15.1 | 2.976.478 | 1.545.459 | 1.718.304 |
| Feb 20 | 3.948.749 | 3,423,589 | + 15.3 | 2,985,585 | 1,512,158 | 1,699,250 |
| Feb 27 | 3,892,796 | 3,409,907 | + 14.2 | 2,993,253 | 1,519,679 | 1,706,719 |
| Mar 6 | 3.946.630 | 3,392,121 | +16.3 | 3,004,639 | 1,538,452 | 1,702,570 |
| Mar 13 | 3,944,679 | 3,357,444 | +17.5 | 2,983,591 | 1,537,747 | 1,687,229 |
| Mar 20 | 3,946,836 | 3,357,032 | +17.6 | 2.983.048 | 1,514,553 | 1,683,262 |
| Mar 27 | 3,928,170 | 3,345,502 | +17.4 | 2,975,407 | 1,480,208 | 1,679,589 |
| Apr 3 | 3,889,858 | 3.348,608 | + 16.2 | 2,959,646 | 1,465.076 | 1,633.291 |
| Apr 10 | 3,882,467 | 3,320,858 | +16.9 | 2,905,581 | 1,480,738 | 1,696,543 |
| Apr 17 | 3,916,794 | 3,307,700 | +18.4 | 2,897,307 | 1,469,810 | 1,709,331 |
| Apr 24 | 3,925,175 | 3.273,190 | +19.9 | 2,950,448 | 1,454,505 | 1,699.823 |
| May 1 | 3,866,721 | 3,304,602 | +17.0 | 2,944,906 | 1,429,032 | 1,688,434 |
| | | | | | | The second secon |

Steel Operations Affected By Coal Mine Shutdown-Industry To Go On 48-Hr. Basis

"The trend in steel has been toward more hours per week per employee at many plants and now the entire industry is slated to go on the 48-hour basis," states "The Iron Age" in its issue of today (May 6), which further goes on to say: "The longer work week ordered by the Government will not yield additional raw steel, as operations have been close to capacity for months. Down-grading

of employees and layoffs appear nearing completion. In the neighborhood of \$100,000,000 will be added to steel company costs and some companies may be forced to appeal for higher selling costs, long unchanged.

"Despite the short duration of the coal mine shutdown, the effects of it are expected to be felt in the steel industry for some time. Stockpiles before the strike had been reduced, and if negotiations fail after the 15-day Lewis truce, it is almost certain that some blast furnace will go out of commission immediately. Last week's shutdown of captive mines, which in some cases amounted to four days, and the loss of two to three days' production of beehive coke were serious threats to the steel industry.

"Meanwhile, evidence continues accumulate that munitionsmaking programs are undergoing adjustments, with output by some sections of industry being curtailed. The railroads are scheduled to suffer a blow on their third-quarter requirements for steel, and the oil industry also unless adjustments are made by

the confusion and lack of coordi- this would be the rare exception. nation in regard to components, WPB is considering the establishment of a new industrial procedure soon. Components will be flowed to such programs as the highly critical 100-octane gasoline, synthetic rubber, aluminum, magnesium, steel, shipbuilding and power-generating plant proj-The plan will be known as the Component Scheduling Plan.

all interested parties.

"High quality carbon steels of forging and special requirement grades may be subject soon to scheduling similar to that employed by WPB with respect to allov steels, it was learned at Washington this week. Also, steel producers are going to be requested to increase capacity for making these steels because demand is more for high-carbon and special-requirement steels than for ordinary grades.

"Steel mill schedules for third quarter are reported filling up at first served' policy which now

likely, although part of the work- of fact, even a generous quantity ers may be absorbed in plants of orders for delivery in first quarter of 1944 are held by the steel industry.

"Steel ingot production this week dropped two points to the lowest level since the week of Sept. 24, 1942."

The American Iron and Steel Institute on May 3 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel canacity of the industry will be 98.2% of capacity for the week beginning May 3, compared with 100% one week ago, 99.6% one month ago and 98.6% one year ago. This represents a decrease of 1.8 point or 1.8% from the preceding week. The operating rate for the week beginning May 3 is equivalent to 1,700,500 tons of steel ingots and castings, compared to 1,731,700 tons one week ago, 1,724,700 tons one month ago and 1,674,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 9 stated in part as follows: "Little steel is availmay not receive the steel it wants able for delivery before July for buyers not already covered by CMP numbers. An occasional lot "In order to help straighten out may be worked into schedules but

> Requirements Plan to Controlled economy generally, the Personnel Materials Plan is practically complete and much tonnage which Goods Association, will hold a failed to be validated by CMP has been cancelled, clearing mill books of many orders on which delivery was remote and practically impossible. Most material originally booked under PRP was converted to the new plan, and in spite of cancellations producers have all the business they can handle, though order books are in better condition for economical scheduling. While some directives still are necessary the new plan requires fewer than formerly.

"Narrow cold-strip orders have been heavy in recent weeks and many producers have filled third- of these problems which are comquarter production quotas, some orders being booked for fourth there will be few, if any, formal backlogs and some orders have be of a technical nature, with a fast rate under the 'first come, rienced in formulating balanced Experience of stores in acute de-

more widely for war purposes in place of copper.

"The steel-sheet situation is tightening, with mill schedules filled to midyear in most cases. some CMP tonnage going over into July. Galvanized sheets, recently available for second-quarter delivery, now are difficult to obtain earlier than third quarter.

"Not only is steel and iron scrap being delivered in better volume but quality has improved on the average, with more heavy material to offset the preponderance of light grades, which have been difficult to use economically. While scrap supply is enough for current steelmaking needs, not much progress is being made in accumulating reserves, though some tonnage is being laid down

for future use.
"Various pig iron consumers find their position easing considerably from that of the past few months and many are in possession of better inventory than for some time. This has resulted from lessened demand for some lines of castings from gray iron shops, including those for machine tool and mill equipment manufacturers.

Canada Consulate Will Open In N. Y. G.

A Canadian Consulate General, the first established by Canada in a foreign country, will be opened about May 1 in the British Empire Building in Rockefeller Center at 620 Fifth Avenue, New York City, according to a recent announcement in the House of Commons at Ottawa by Prime Minister W. L. Mackenzie King.

Hugh D. Scully, Canadian Commissioner of Customs, will be the Consul General, Mr. King said, explaining that the new office was necessitated by the great increase in Canadian activities in the New York area. The Prime Minister also said that its establishment would relieve the British Consulate General of a considerable amount of work it had carried out in behalf of the Dominion. It is indicated that the offices of the Wartime Information Board and the Canadian Trade Commissioner in New York will be incorporated in the offices of the Consul General.

The Canadian Government also announced the appointment of Douglas S. Cole as Senior Trade Commissioner in the States with the rank of Consul. Mr. Cole has for the past eight years been Canadian Trade Commissioner at New York, during which time Canada has carried out two trade agreements with the United States.

Retail Dry Goods Ass'n To Hold War Forum

As its contribution to the acute nation-wide manpower problem, "Conversion from Production and in the interest of the war by George Plant, manager of the group. Because of the many new government regulations affecting the hiring and working conditions of employees, and altering the personnel practices under which stores have operated for many years, such as the employment shortage, the 48-hour minimum work week, wage stabilization, and selective service policies, the Forum will be devoted to a practical and down-to-earth discussion mon to all. It is announced that quarter. Directive quotas limit or set speeches. The sessions will been refused. Difficulty is expe-open discussions predominating. operating schedules. Indications fense centers will be stressed, and prevails under CMP. As a matter are that steel strip is being used this exchange of experience and job in fulfilling civilian needs.

Negroes To Occupy 12% Of Dwellings When Federal Housing Program Is Completed

Negro tenants will occupy about 88,000 public housing units, representing 12% of a total of 744,000 dwellings, and developed at a cost of more than \$360,000,000 when the current public housing program is completed, Herbert Emmerich, Commissioner of the Federal Public Housing Authority, is said to have announced.

It is further stated that according to recent estimates, about 42,000 of these dwellings will be ⊕ provided by the War Housing Means Committee, Thomas Jefferthis program.

Washington advices to the New York "Times" of April 28, from which the foregoing is quoted,

further said:

Under the low-rent, non-war program, which made available 132,000 homes, almost 46,000 are finished and occupied by negro tenants. Many of these low-rent dwellings, in war-production centers now house negro war workers. The scarcity of critical materials and labor has necessitated the suspension of building under the low-rent program for the duration of the war. Consequently, almost 3,500 of the low-rent dwellings authorized and planned for tenancy by negroes are now temporarily suspended.

In the development of the total housing program, negro construction workers had earned more than \$33,000,000 by the end of This represented 12% of total payroll expenditures. Negro craftsmen had received \$7,000,000

or 4% of the total paid to skilled workers.

About 16,000 of the war dwellings for negro workers brought into war-production areas have been finished, and 18,000 are un-

der way

In addition to negro construction workers, negro manpower has been utilized in the management and maintenance of public housing projects. More than 1,000 negroes are currently employed in various capacities such as managers, engineers, clerical assistants and custodial workers. One hundred and thirty negroes are now in charge of projects.

Approximately 140 negroes are employed on the departmental staff of the FPHA in Washington, and 40 are working in FPHA regional offices. Among these are three lawyers, three architects, an area management supervisor, a project planner and a junior management assistant recruited from the ranks of housing apprentices in the agency.

Discussing the relation between negro war housing and negro war production employment, Mr. Emmerich, speaking for himself and John B. Blandford, Jr., Administrator of the National Housing Agency of which the FPHA is a constituent unit, declared:

"Since it is the policy of the National Housing Agency and the Federal Public Housing Authority to provide war housing to meet the proportionate needs of essential negro migrant war workers, the percentage of negro participation in the war-housing program tends to reflect the percentage of their employment in essential war work.

N. Y. Board Asks Repeal Of Transportation Tax

Directors of the Commerce and Industry Association of New York urged the Congress on April 23 to repeal provisions of the Revenue Act of 1942, which levy a tax upon the transportation of goods and commodities, claiming the tax is a genuine nuisance and another heavy burden upon manufacturers and distributors of consumer goods. In a letter to the New York City Congressmen, the two New York State Senators and members of the House Ways and

clarification of effective personnel procedure will aid both the Government program, and the stores'

Program which reached a total of son Miley, the Association's Secre-612,000 units on March 15. Provi- tary, asserted the tax had become sion for negro tenants is 7% of burdensome to both sellers and buyers because of the many different methods employed in selling and shipping merchandise. Mr. Miley stated:

The OPA has held that where the pricing is on a delivered price basis, the seller must absorb the tax; and in cases where the price is f.o.b. producer's establishment, the buyer absorbs the tax. There has been no end of confusion so far as the ultimate pricing of merchandise is concerned.

"The existing tax is not only a nuisance and an annoyance, but it is a further expense upon business unless such tax can be added to the sales price and collected from the ultimate consumer. We be-lieve that, in the light of existing heavy business taxes, this tax should be repealed."

Requests Funds For Major War Agencies

President Roosevelt transmitted to Congress on April 19 a request for \$2,372,350,000 for the Shipping Administration for the fiscal year 1944, which begins July 1. Most of the fund is for the construction of cargo vessels and for the Merchant Marine.

The President also asked Congress for funds to operate other war agencies in the 1944 fiscal These include: \$36,150,000 for the Board of Economic Warfare; \$2,053,000 for the Office of Defense Health and Welfare Services; \$5,473,000 for the War Petroleum Administration; \$48,-170,000 for the War Relocation Authority; \$47,342,000 for the Office of War Information and \$895,000 for the Solid Fuels Coordinator's Office.

Mr. Roosevelt also submitted a supplemental request for \$3,000,-000 to enable the Office of Price Administration to have printed the necessary forms and other materials for rationing programs.

4,657 New Freight Cars In Service In First 3 Months

The Association of American Railroads on April 26 announced that Class I railroads put 4,657 new freight cars in service in the first three months of 1943, compared with 27,263 in the same period last year. Those installed in the first quarter of 1943 included 1,662 hopper, 2,008 gondola, 801 flat, 135 automobile box, 24 plain box and 27 miscellaneous freight

New freight cars on order on April 1, 1943, totaled 20,712, the construction of which had been authorized by the War Production Board. On the same date last year they had 69,515 on order. New freight cars on order on April 1, this year, included 11,605 hopper, 7,459 gondolas, 1,645 flat and three plain box cars.

Class I railroads also had 586 new locomotives on order on April 1, this year, compared with 930 on the same day in 1942. The number on order on April 1, 1943, included 392 steam, 12 electric and 182 diesel compared with 426 and 504 electric and diesel one

year ago. Railroads also placed 159 new locomotives in service in the first three months this year, of which 125 were steam, 6 electric and 28 diesel. New locomotives installed in the same period last year totaled 179, of which 78 were steam and 101 were electric and diesel.

Wholesale Commodity Prices Declined 0.1% During Week Ended April 24 Says Labor Dept.

The U.S. Department of Labor announced on April 29 that the Bureau of Labor Statistics' index of commodity prices in primary markets declined fractionally by 0.1% during the week ended April 24, largely because of weakening prices for cattle and hogs. At 103.4% of the 1926 average the comprehensive index is only slightly higher than at this time last month and about 5% higher than it was

The Department's announcement further said:

"Farm Products and Foods: Average prices for farm products dropped 0.4% during the week, led by decreases of over 5% for cows, more than 1% for hogs, and lower prices for steers, flaxseed, onions and potatoes in the New York and Portland (Oregon) markets. Somewhat higher prices were reported for grains, with increases of 1/2-11/2% for wheat, oats, corn and rye. Cotton advanced fractionally and quotations were also higher for eggs, apples, citrus fruits and sweet potatoes.

"Food prices in wholesale markets continued to rise, and are now at the highest level since late in 1920. In addition to the increase in prices for eggs and for certain fruits and vegetables, oleomargarine and vinegar also advanced.

'Cattle feed declined 1.4% as a result of lower quotations for bran and linseed meal.

"Industrial Commodities: There were very few changes in prices for industrial commodities. Quotations for rosin and linseed oil dropped sharply following the increase of the preceding week. Lower prices were also reported for maple flooring. Quotations were higher for red cedar shingles and for soap products.

The following notation is made:

During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete re-

The following table shows index numbers for the principal groups of commodities for the past three weeks, for March 27, 1943 and April 25, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1000-100)

| | 1 | 1920- | 1001 | | | | | | |
|--|--------|--------|--------|--------|-------|------|--------------------|--------|-----|
| | | | | | | | age cha 4. 1943 | | |
| | 4-24 | 4-17 | 4-10 | 3-27 | 4-25 | 4-17 | 3-27 | 4-25 | 5 |
| Commodity groups- | 1943 | 1943 | 1943 | 1943 | 1942 | 1943 | 1943 | 1942 | 2 |
| All commodities | *103.4 | *103.5 | *103.5 | *103.3 | 98.6 | -0.1 | +0.1 | + 4.5 | 1 |
| Farm products | 123.9 | *124.4 | *124.3 | *124.2 | 104.8 | -0.4 | 0.2 | + 18.2 | 2 |
| Foods | 108.5 | 108.4 | 107.9 | 107.6 | 99.6 | +0.1 | +0.8 | + 8.9 | 11 |
| Hides and leather products | | 118.4 | 118.4 | 118.4 | 119.8 | 0 | 0 | 1.2 | 1 1 |
| Textile products | | | 96.9 | 96.8 | 97.0 | 0 | +0.1 | - 0.1 | 1 |
| Fuel and lighting materials | | | 81.1 | 80.8 | 78.5 | 0 | +0.4 | + 3.3 | 1 |
| Metals and metal products | | | *103.9 | *103.9 | 103.9 | 0 | 0 | 0 | 1 |
| Building materials | | | 110.3 | 110.4 | 108.8 | -0.1 | -0.2 | + 1.3 | 3 |
| Chemicals and allied products | 100.1 | 100.1 | 100.1 | 100.0 | 97.1 | 0 | +0.1 | + 3.1 | |
| Housefurnishing goods | | | 104.2 | | 104.4 | 0 | 0 | - 0.5 | 1 5 |
| Miscellaneous commodities | | | 91.3 | 91.2 | 90.0 | 0 | . + 0.2 | + 1.6 | 3 |
| Raw materials | | | *112.7 | *117.5 | 100.4 | -0.3 | 0 | + 12.7 | 11 |
| Semimanufactured articles | | | 93.0 | 92.9 | 92.6 | -0.1 | 0 | + 0.3 | 3 |
| Manufactured products | | | | *100.7 | 98.9 | 0 | + 0.1 | + 1.9 | 1 |
| All commodities other than | | **** | **** | | 00.0 | | | | . 1 |
| farm products | *99.0 | -99.0 | *99.0 | *98.8 | 97.3 | 0 | +0.2 | + 1.7 | 1 |
| All commodities other than farm products and foods | *96.8 | *96.8 | *96.7 | *96.6 | 95.6 | 0 | +02 | + 1.3 | |
| *Preliminary. | 30.0 | 30.6 | 30.7 | 30.0 | 55.0 | 0 | + 0.2 | T 4.0 | |
| | | | | | | | | | |

National Fertilizer Association Commodity Price Average Unchanged

There was no change in the general level of wholesale commodity prices last week, according to the price index compiled by The National Fertilizer Association and made public on May 3. This index in the week ended May 1 remains at 135.7% of the 1935-1939 average, the same as in the preceding week. The index was 135.9 a month ago and 127.9 a year ago. The association's report continued as follows:

Price changes during the week were comparatively slight. Rising prices for bread, eggs, oranges, chickens and soybean oil, which more than offset a decline in potatoes, were responsible for an upturn in the food group index. In the farm-product group declining quotations for livestock and cotton more than counterbalanced advances in grains; the net result was a decline in the group index. The only other group average to decline during the week was that representing the prices of textiles, which dropped

During the week 11 price series included in the index advanced and 8 declined; in the preceding week there were 8 advances and 7 declines; in the second preceding week there were 10 declines and 8 advances.

> WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association

| | 1935-1939:=100° | 6.00 | | 3 | |
|---|--|----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Each Group Bears to the Total Index | Group | Latest Week May 1943 | Week 1 Apr. 24 | Month Ago Mar. 27 1943 | Year Ago May 2 1942 |
| 25.3 | Foods Fats and Oils Cottonseed Oil Farm Products | 139.9 147.8 159.0 153.8 | 139.5 147.7 159.0 154.2 | .138.7 148.0 160.1 155.8 | 126.1 138.7 159.3 136.8 |
| 110 | Cotton Grains Livestock | 201.0 143.2 148.5 | 201.5 142.5 149.2 | 201.7 140.6 152.4 | 190.5 113.8 132.3 |
| 17.3 10.8 8.2 | Fuels Miscellaneous commodities Textiles | 122.2 130.4 151.3 | 122.2 130.4 151.4 | 121.8 130.4 151.5 | 119.2 127.9 149.1 |
| 7.1 6.1 1.3 | Metals Building materials Chemicals and drugs | 104.4 152.2 126.6 | 104.4 152.2 126.6 | 104.4 152.2 126.6 | 104.4 151.6 120.7 |
| .3 .3 .3 | Fertilizer materialsFertilizersFarm machinery | 117.9 119.8 104.1 | 117.9 119.8 104.1 | 117.9 119.8 104.1 | 118.7 115.3 104.1 |
| 100.0 | All groups combined | 135.7 | 135.7 | 135.9 | 127.9 |
| °Indexes 1942, 99.6. | on 1926-1928 base were May 1, 194 | 3, 105.7 | ; April 24, | 105.7; | May 2, |

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

> MOODY'S BOND PRICES! (Based on Average Yields)

| 1943- | U.S. | Avge. | | | | | 2 | | |
|--|------------------|--------|---------|------------------|------------------|-------|--------|-----------|------------------|
| Daily Averages | Govt. Bonds | Corpo- | | | by Ratin | | | rate by C | |
| Control of the Contro | | rate* | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. |
| May 4 | | 109.97 | 118.20 | 115.43 | 110.52 | 97.16 | 101.47 | 112,93 | 115.82 |
| 3 | | 109.79 | 118.00 | 115.43 | 110.52 | 97.16 | 101.47 | 113.12 | 115.82 |
| Ann 20 | | 109.79 | 118.00 | 115.43 | 110.52 | 97.00 | 101.31 | 113.12 | 115.63 |
| Apr. 30 | 30 m 30 m 30 m | 109.79 | 118.00 | 115.43 | 110.34 | 97.00 | 101.31 | 113.12 | 115.63 |
| 29 | | 109.79 | 118.00 | 115.43 | 110.52 | 97.00 | 101.31 | 112.93 | 115.82 |
| | | 109.79 | 118.00 | 115.43 | 110.52 | 96.85 | 100.98 | 113.12 | 115.82 |
| | 118.25 | 109.60 | 118.00 | 115.24 | 110.52 | 96.69 | 100.98 | 112.93 | 115.63 |
| 26 | 118.26 | 109.79 | 118.00 | 115.43 | 110.52 | 96.69 | 100.98 | 112.93 | 115.63 |
| | 118.23 | 109.79 | 118.00 | 115.43 | 110.52 | 96.69 | 101.14 | 113.12 | 115.63 |
| 23 | 110 00 | 100.00 | | | CHANGI | | | **** | 115.00 |
| | 118.22 | 109.60 | 118.00 | 115.43 | 110.34 | 96.69 | 100.98 | 113.12 | 115.82 |
| 21 | 118.17 | 109.60 | 117,80 | 115.43 | 110.34 | 96.54 | 100.98 | 112.93 | 115.63 |
| 19 | 118.21 118.21 | 109.60 | 118.00 | 115.43 | 110.52 | 96.54 | 100.81 | 112.93 | 115.82 |
| 17 | 108.08 | 109.60 | 117.80 | 115.43 | 110.52 | 96.69 | 100.98 | 112.93 | 115.82 |
| 16 | 118.06 | 109.60 | 117.80 | 115.43 | 110.52 | 96.54 | 100.98 | 112.93 | 115.82 |
| 15 | | | 117.80 | 115.43 | 110.52 | 96.38 | 100.81 | 112.93 | 115.63 |
| 14 | 118.00 117.85 | 109.60 | 117.80 | 115.24 115.24 | 110.52 | 96.54 | 100.98 | 112.93 | 115.63 |
| 13 | 117.68 | 109.42 | | | 110.52 | 96.38 | 100.81 | 112.93 | 115.63 |
| 12 | 117.51 | 109.42 | 117.80 | 115.24 | 110.52 | 96.23 | 100.65 | 112.93 | 115.63 |
| 10 | 117.48 | 109.60 | 117.80 | 115.24 | 110.52 | 96.38 | 100.81 | 112.93 | 115.63 |
| 9 | 117.48 | 109.60 | 117.80 | 115.24 | 110.52 | 96.54 | 100.81 | 112.93 | 115.63 |
| 8 | 117.48 | 109.79 | 117.80 | 115.43 | 110.52 | 96.69 | 100.98 | 113.12 | 115.63 |
| 7 | 117.46 | | 118.00 | 115.43 | 110.52 | 96.85 | 101.14 | 113.12 | 115.82 |
| 6 | 117.44 | 109.79 | 117.80 | 115.43 | 110.52 | 96.85 | 101.14 | 113.12 | 115.82 |
| 5 | 117.51 | 109.79 | 117.80 | 115.43 115.43 | 110.52 110.52 | 96.85 | 101.14 | 113.12 | 115.82 115.82 |
| Mar. 26 | 116.93 | 109.60 | 117.80 | 115.43 | 110.52 | 96.23 | 100.65 | 113.12 | 115.63 |
| 19 | 116.86 | 109.42 | 117.60 | 115.43 | 110.52 | 95.92 | 100.32 | 113.12 | 115.63 |
| 12 | 116.87 | 109.24 | 117.60 | 115.43 | 110.34 | 95.77 | 100.16 | 112.93 | 115.43 |
| 5 | 116.97 | 109:42 | 117.80 | 115.43 | 110.34 | 95.77 | 100.16 | 113.12 | 115.43 |
| Feb 26 | 117.11 | 109.24 | 117.60 | 115.43 | 110.15 | 95.47 | 100.00 | 112.93 | 115.43 |
| 19 | 117.11 | 109.06 | 117.60 | 115.24 | 110.15 | 95.01 | 99.68 | 112.93 | 115.43 |
| 11 | 117.13 | 108.88 | 117.60 | 115.24 | 109.97 | 94.86 | 99.36 | 112.93 | 115.43 |
| 5 | 117.09 | 108.88 | 117.60 | 115.04 | 109.97 | 94.71 | 99.04 | 112.75 | 115.63 |
| Jan. 29 | 117.04 | 108.70 | 117.60 | 115.04 | 109.79 | 94.56 | 99.04 | 112.56 | 115.43 |
| 22 | 117.05 | 108.34 | 117.20 | 114.66 | 109.60 | 94.26 | 98.73 | 112.37 | 115.24 |
| 15 | 117.05 | 108.16 | 117.20 | | . 109.42 | 93.82 | 98.41 | 112.19 | 115.04 |
| 8 | 117.02 | 107.62 | 116.80 | 114.08 | 109.06 | 92.93 | 97.62 | 112.00 | 114.66 |
| 1 Exchan | ge Closed | 1 | | | | | | | |
| High 1943 | 118.37 | 109.97 | 118.20 | 115.63 | 110.70 | 97.16 | 101.47 | 113.31 | 115.82 |
| Low 1943 | 116.85 | 107.44 | 116.80 | 113.89 | 108.88 | 92.35 | 97.16 | 111.81 | 114.46 |
| High 1942 | 118.41 | 107.62 | 117.20 | 114.27 | 108.88 | 92.64 | 97.47 | 112.19 | 114.66 |
| Low 1942 | 115.90 | 106.04 | 115.43 | 112.75 | 107.09 | 90.63 | 95.32 | 109.60 | 112.75 |
| 1 Year ago | | | | | | | | | |
| May 4, 1942 | 117.86 | 106.74 | 116.22 | 113.12 | 107.44 | 92.20 | 96.69 | 110.70 | 113.70 |
| 2 Years ago | | | | | | | | | |
| May 3, 1941 | 118.64 | 106.56 | 117.00 | 113.12 | 106.92 | 91.48 | 97.00 | 110.52 | 112.75 |
| 8 | | MOODY | e pow | NITE . | AUTO | CECA | | | |
| | | | | | O AVERA | | | | |
| 1943— | 17.0 | | on Indi | vidual C | losing Pi | ices) | | | |
| 13/43 | U.S. | Avge. | | | | | | | |

| | | | (Based | on India | vidual C | losing P | rices) | | | |
|---------|----------------------|---------|----------|----------|----------|------------|---------|--------|-----------|-------|
| 1943 | - | U.S. | Avge. | | | | | | | |
| Daily | | Govt. | Corpo- | | | by Rating | | | ate by G | |
| Average | | Bonds | rate | Aaa | Aa | A | Baa | R. R. | P. U. | Indus |
| May 4 | | 1.98 | 3.17 | 2.74 | 2.88 | 3.14 | 3.93 | 3.66 | 3.01 | 2.86 |
| 3 | | 1.98 | 3.18 | 2.75 | 2.88 | 3.14 | 3.93 | 3.66 | 3.00 | 2.86 |
| . 1 | - | 1.98 | 3.18 | 2.75 | 2.88 | 3.14 | 3.94 | 3.67 | 3.00 | 2.87 |
| Apr. 30 | | 1.98 | 3.18 | 2.75 | 2.88 | 3.15 | 3.94 | 3.67 | 3.00 | 2.87 |
| 29 | | 1.99 | 3.18 | | 2.88 | 3.14 | 3.94 | 3.67 | 3.01 | 2.86 |
| 28 | | 1.99 | 3.18 | 2.75 | 2.88 | 3.14 | 3.95 | 3.69 | 3.00 | 2.86 |
| 27 | | 1.99 | 3.19 | 2.75 | 2.89 | 3.14 | 3.96 | 3.69 | 3.01 | 2.87 |
| 26 | | 1.99 | | | 2.88 | 3.14 | 3.96 | 3.69 | 3.01 | 2.87 |
| 24 | Sec. 10. 14. 14. 16. | 1.99 | 3.18 | 2.75 | 2.88 | 3.14 | 3.93 | 3.68 | 3.00 | 2.87 |
| 23 | | 4 | | | | CHANGE | | | | |
| 22 | | 1.99 | 3.19 | 2.75 | 2.88 | 3.15 | 3.96 | 3.69 | 3.00 | 2.86 |
| 21 | | 1.99 | 3.19 | 2.76 | 2.88 | 3.15 | 3.97 | 3.69 | 3.01 | 2.87 |
| 20 | | 1.99 | 3.19 | 2.75 | 2.88 | 3.14 | 3.97 | 3.70 | 3.01 | 2.86 |
| 19 | | 1.99 | 3.19 | 2.76 | 2.88 | 3.14 | 3.96 | 3.69 | 3.01 | 2.86 |
| 17 | | 2.00 | 3.19 | 2.76 | m. 0.0 | 3.14 | 3.97 | 3.69 | 3.01 | 2,86 |
| 16 | | 2.00 | 3.19 | 2.76 | 2.88 | 3.14 | 3.98 | 3.70 | 3.01 | 2.87 |
| 15 | - | 2.01 | 3.19 | 2.76 | 2.89 | 3.14 | 3.97 | 3.69 | 3.01 | 2.87 |
| 14 | - | 2.02 | 3.19 | 2.76 | 2.89 | 3.14 | 3.98 | 3.70 | 3.01 | 2.87 |
| 13 | | 2.03 | 3.20 | 2.76 | | 3.14 | 3.99 | 3.71 | 3.01 | 2.87 |
| 12 | | 2.04 | 3.19 | 2.76 | 2.89 | 3.14 | 3.98 | 3.70 | 3.01 | 2.87 |
| - 10 | | 2.04 | 3.19 | 2.76 | 2.89 | 3.14 | 3.97 | 3.70 | 3.01 | 2.87 |
| 9 | | 2.04 | 3.19 | 2.76 | 2.89 | 3.14 | 3.96 | 3.69 | 3.00 | 2.87 |
| 8 | | 2.04 | 3.18 | 2.75 | 2.88 | 3.14 | 3.95 | 3.68 | 3.00 | 2.86 |
| 7 | | 2.05 | 3.18 | 2.76 | 2.88 | 3.14 | 3.95 | 3.68 | 3.00 | 2.86 |
| 6 | | 2.05 | 3.18 | 2.76 | 2.88 | 3.14 | 3.95 | 3.68 | 3.00 | 2.86 |
| 5 | | 2.04 | 3.18 | 2.76 | 2.88 | 3.14 | 3.95 | 3.68 | 3.00 | 2.86 |
| Mar. 26 | | 2.08 | 3.19 | 2.76 | 2.88 | | 3.99 | | | |
| 19 | | 2.07 | 3.20 | 2.77 | 2.88 | 3.14 | | 3.71 | 3.00 | 2.87 |
| 12 | | 2.07 | 3.21 | 2.77 | 2.88 | | 4.01 | 3.73 | 3.00 | 2.87 |
| 5 | | 2.07 | 3.20 | 2.76 | | 3.15 | 4.02 | 3.74 | 3.01 | 2.88 |
| | | | | | 2.88 | 3.15 | 4.02 | 3.74 | 3.00 | 2.88 |
| Feb 26 | | 2.06 | 3.21 | 2.77 | 2.88 | 3.16 | 4.04 | 3.75 | 3.01 | 2.88 |
| 19 | | 2.06 | 3.22 | 2.77 | 2.89 | 3.16 | 4.07 | 3.77 | 3.01 | 2.88 |
| 11 | | 2.06 | 3.23 | 2.77 | 2.89 | 3.17 | 4.08 | 3.79 | 3.01 | 2.88 |
| 5 | | 2.06 | 3.23 | 2.77 | 2.90 | 3.17 | 4.09 | 3.81 | 3.02 | 2.87 |
| Jan. 29 | | 2.06 | 3.24 | 2.77 | 2.90 | 3.18 | 4.10 | 3.81 | 3.03 | 2.88 |
| 22 | | 2.06 | 3.26 | 2.79 | 2.92 | 3.19 | 4.12 | 3.83 | 3.04 | 2.89 |
| 15 | -4 | 2.06 | 3.27 | 2.79 | | 3.20 | 4.15 | 3.85 | 3.05 | 2.90 |
| 8 | 2885 | 2.07 | 3.30 | 2.81 | 2.95 | 3.22 | 4.21 | | | |
| 1 | Exchange | | | 2.02 | 2.00 | 9.22 | 4.24 | 3.90 | 3.06 | 2.92 |
| High 1 | 943 | 2.08 | 3.31 | 2.81 | 2.96 | 3.23 | 4.25 | 2.02 | 9.07 | 0.00 |
| Low 19 | | 1.98 | 3.17 | 2.74 | 2.87 | 3.13 | | 3.93 | 3.07 | 2.93 |
| | | | | | | | 3.93 | 3.66 | 2.99 | 2.86 |
| | 942 | 2.14 | | 2.88 | 3.02 | 3.33 | 4.37 | 4.05 | 3.19 | 3.02 |
| Low 19 | 42 | 1.93 | 3.30 | 2.79 | 2.94 | 3.23 | 4.23 | 3.91 | 3.05 | 2.92 |
| 1 Yea | r ago | | | | | | | | | |
| May 4. | 1942 | 1.98 | 3.35 | 2.84 | 3.00 | 3.31 | 4.26 | 3.96 | 3.13 | 2.97 |
| | rs ago | -14- | | | | | | 0.00 | 0.10 | 4.01 |
| | | | 0.00 | | | | | | | |
| May 3, | | 1.93 | 3.36 | 2.30 | 3.00 | 3.34 | 4.31 | 3.94 | 3.14 | 3.02 |
| 33/4 % | ese prices | are col | mputed i | from ave | rage yie | elds on th | e basis | of one | 'typical' | bond |

3% coupon, maturing in 25 years) and do not purport to show either the average tevel or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

Coupon, maturing in 25 years) and do not purport to show either the average earnings over the year. Only two of the non-manufacturing industries howed increases above 25% over the year. These were an

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Factory Workers' Hours And Earnings In Feb. Showed Increase, Labor Department Reports

The average hours worked in February in all manufacturing were 44.5, indicating a scheduled work week of more than 46 hours Secretary of Labor Perkins reported on April 15. goods industries, in which most of the war goods production is concentrated, continued to schedule a work week above the 48-hour minimum and averaged 46.2 hours per week, 0.7% above January,

Secretary Perkins further tween February, 1941 and Februstated:

ary, 1942 was primarily the result "The average hours worked in of longer working hours in the all manufacturing were 5% above durable-goods group of industries, February, 1942 and 10% above while the increase over the past February, 1941. The increase beyear reflected both the lengthened

work-week in the non-durable-goods industries and to a slightly lesser degree in the durable-goods industries.

"The work-week in the durablegoods industries averaged 4.4 hours more in February, 1943 than in February of 1941, 2.7 hours of which were gained be-tween February, 1941 and February, 1942, while 1.7 hours were gained between February, 1942 and last February. On the other hand, of the 3.6 hours increase in the work-week in the non-dur-able-goods industries only 1.3 hours were gained between February, 1941-1942 and 2.3 were gained over the past year.

"Among the 49 durable-goods industries, 30 industries reported 46 or more hours per week and 12 of these averaged 48 or more hours, indicating a scheduled work-week of at least 50 hours. Despite a decrease of 0.8% since January and a decrease of 5.4% since February, 1942 the machine tool industry averaged the longest work-week, 52.1 hours.

"All but three of the non-durable-goods industries had a longer work-week in February, 1943 than in February, 1942. The greatest increase, 19%, was in the rub-ber tire and tube industry which averaged 44.9 hours.

"Of the 13 non-manufacturing industries for which man-hour information is available only two, hotels and metalliferous mining, showed declines over the year. Each of the components of the metalliferous group had lower hours in February, 1943 than in February, 1942. In anthracite mining the hours worked, 41.5, were 22.3% longer than in Feb-ruary, 1942, while in bituminous coal mining the hours worked were 37.3, 6.5% above last year. The two coal mining industries measure time spent at the face of the coal rather than time after reporting for work at the mine and, therefore, the hours worked in coal mining should not be compared with time worked in manufacturing industries.

"Hourly earnings in February, including overtime premiums and shift differentials averaged 92.4 cents in all manufacturing, only slightly above last month and 14.9% above last year. The average hourly earnings of 102.1 cents in the durable-goods industries were 14.2% above February, 1942, while the average of 77.4 cents in the non-durable was 12.1% above February of last year.

"All of the major non-manufacturing industry groups re-ported higher hourly earnings this month than in February, 1942 and all but three had higher earnings than in January, 1943.

"Weekly earnings averaged \$47.17 in February in the industries of the durable-goods group or about 1% above the last month and 20% more than in February, 1942. In the industries of the non-durable-goods group, weekly earnings averaged \$32.51, 1.5% above the preceding month and 18.7% above last year. For all manufacturing industries there was a 22.3% increase in weekly over the year. These were anthracite mining which increased 32.2% and bituminous coal mining which increased 26.0%.

Moody's Daily **Commodity Index**

| -2 | | |
|----|-------------------------|-------|
| ļ | Tuesday, April 27 | 246.2 |
| ١ | Wednesday, April 28 | 246.6 |
| 1 | Thursday, April 29 | 246.2 |
| 1 | Friday, April 30 | 246.1 |
| Į | Saturday, May 1 | 245.8 |
| I | Monday, May 3 | 246.7 |
| 1 | Tuesday, May 4 | 246.5 |
| I | Two weeks ago, April 20 | 247.2 |
| ł | Month ago, April 3 | 249.0 |
| Į | Year ago, May 4 | 231.7 |
| l | 1942 High, Dec. 22 | 239.9 |
| I | Low, Jan. 2 | 220.0 |
| ŧ. | 1943 High, April 1 | 249.8 |
| | Low Jan 2 | 240 2 |

Daily Average Crude Oil Production For Week Ended April 24, 1943 Increased 300 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 24, 1943 was 3,912,600 barrels, an increase of 300 barrels per day over the preceding week, and 273,500 barrels per day higher than in the corresponding period last year. The current figure, however, was 331,-250 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of April, 1943. Daily output for the four weeks ended April 24, 1943 averaged 3,-925,450 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,737,000 barrels of crude oil daily and produced 10,583,000 barrels of gasoline; 3,954,000 barrels of distillate fuel oil, and 8,168,-000 barrels of residual fuel oil during the week ended April 24, 1943; and had in storage at the end of that week 91,114,000 barrels of gasoline; 31,142,000 barrels of distillate fuels and 67,455,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Actual Production

| | | State | Actual P | roduction | | |
|--|--|--------------------------------------|---|------------------------------------|---|---|
| | P. A. W. Recommendations April | Allow- ables Begin. April 1 | Week Ended April 24, 1943 | from Previous Week | 4 Weeks Ended April 24, 1943 | Week Ended April 25, 1942 |
| Oklahoma Kansas Nebraska | 379,300 309,900 2,600 | 379,300 309,900 | †341,450 †318,800 †2,200 | +1,600 +8,500 + 50 | 342,350 313,300 2,200 | 400,750 253,200 2,900 |
| Panhandle Texas North Texas West Texas East Central Texas East Texas Southwest Texas Coastal Texas | al) ((insurv | n Nah | 91,000 134,950 214,450 99,700 319,800 188,500 340,750 | + 50 | 90,400 135,450 215,300 99,700 320,700 184,750 343,650 | 90,050 147,550 190,200 79,450 225,850 156,900 228,550 |
| Total Texas | 1,592,000 ‡ | 1,500,342 | 1,389,150 | + 150 | 1,389,950 | 1,118,550 |
| North Louisiana Coastal Louisiana | | | 88,400 257,900 | + 100 | 88,700 256,100 | 77,700 239,850 |
| Total Louisiana | 359,300 | 379,300 | 346,300 | + 100 | 344,800 | 317,550 |
| Arkansas Mississippi Illinois Indiana Eastern (not incl. Ill. | 78,600 50,000 251,900 16,000 | 73,789 | 72,200 53,650 225,250 12,300 | + 550 3,100 + 4,200 1,950 | 71,450 54,950 237,750 14,600 | 73,500 94,700 298,800 18,600 |
| and Indiana) Kentucky Michigan Wyoming Montana | 94,300 20,000 63,700 97,100 24,600 | | 75,700 21,150 57,100 92,300 20,250 | -1,150 50 -2,300 + 100 | 77,650 21,150 58,350 91,250 19,650 | 87.500 11,200 60,800 93,600 21,600 |
| Colorado New Mexico | 7,400 105,700 | 105,700 | 6,850 97,250 | + 400 | 6,500 96,050 | 5,300 79,400 |
| Total East of Calif. | 3,362,400 823,700 | \$823,700 | 3,131,900 780,700 | +7,100 6,800 | 3,141,950 783,500 | 2,938,950 542,400 |
| Martal Walted States | 4 100 100 | | 2 012 600 | f + 200 | 2 025 450 | 3 581 350 |

3,912,600 1 + 300 3,925,450 3,581,350 Total United States 4,186,100 *P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that to on the condensate and gas littles. Past records of production indicate, however, that certain wells may be incapable of producting the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in January, 1943, as follows: Oklahoma, 27,900; Kansas, 5,800; Texas, 101,100; Louisiana, 19,800; Arkansas, 2,500; Illinois, 10,300; Eastern (not including Illinois, Indiana or Kentucky), 9,500; Kentucky, 3,100; Michigan, 100; Wyoming, 2,300; Montana, 400; New Mexico, 5,700; California, 42,500. †Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. April 21.

tokianoma, Kansas, Nebraska figures are for week ended 7 k.m. April 21.

This is the net basic allowable as of April 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 15 days, the entire state was ordered shut down for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers. Revised due to receipt of more complete information on Kentucky production.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 24, 1943

(Figures in Thousands of barrels of 42 Gallons Each) Figures in this section include reported totals plus an estimate of unreported amounts and are

therefore on a Bureau of Mines basis—

§Gasoline

Production Daily Refining
Capacity
Potential % ReDaily % OpRate porting
Crude fineries Finished of Gas of ReRuns to Stills Includ. and UnDaily % OpNatural finished Distillate Fuel
Rate porting Average erated Blended Gasoline

Trouteton

at RetStocks tStocks tStocks of Reprinciples of Gas of ReRuns to Stills Includ. and UnDaily % OpNatural finished Distillate Fuel
Oil Daily Refining Poten-tial % Re-

District-·Combin'd: East Coast, Texas Gulf, Louisi-ana Gulf, North Louisiana - Arkansas and Inland Texas... 2,444 4,873 38,932 10,235 1,667 13,879 2,576 19,326 7,044 Appalachian Ind., Ill., Ky 84.8 85.0 159 89.8 419 452 2,161 1,057 3,433 1,616 Okla., Kansas, Mo. Rocky Mountain __ 48.0 California ___ 21,147 11,068 52,298 Tot. U. S. B. of M. basis April 24, 1943 Tot. U. S. B. of M. basis April 17, 1943 4,812 67,007 4.812 86.2 3,672 76.3 10.370 92,121 30,926 S. Bur. of Mines basis April 25, 1942 10,542

*At the request of the Petroleum Administration for War. †Finished, 80.918,000 barrels; unfinished, 10,196,000 barrels. 1At refineries, at bulk terminals, in transit and in pipe lines. \$Not including 3,954,000 barrels of gas oil and distillate fuel oil and 8,168,000 barrels of residual fuel oil produced in the week ended April 24, 1943, which compares with 3,911,000 barrels and 7,937,000 barrels, respectively, in the preand 3,267,000 barrels and 6,869,000 barrels, respectively, in the week

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior. in its latest report, states that the total production of bituminous coal for the week ended April 24 was estimated at 11,775,000 net eration of Labor have no intention tons, a decrease of 240,000 tons, or 2%, from the preceding week. This is the first time output has fallen below the 12,000,000-ton mark in any full-time week since Feb. 6. Output in the same week a year ago amounted to 11,335,000 tons. For the current year to private industry acknowledge ciples the rules of the game and sponsibilities."

April 24, production of bituminous coal was 7.2% in excess of that

for the corresponding period in 1942.

The U. S. Bureau of Mines estimated that the output of Pennsylvania anthracite for the week ended April 24 was 1,135,000 tons, a decrease of 233,000 tons, or 17%, from the preceding week. When compared with the production in the same week of last year, there was a decrease of 154,000 tons, or 11.9%.

The U.S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 24 showed a decrease of 7,600 tons when compared with the output for the week ended April 17. The quantity of coke from beehive ovens increased 5,600 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted) Week Ended -January 1 to Date-†Apr. 17 Apr. 25 ‡Apr. 24 Apr. 25 and lignite-1943 1943 1942 1943 1942 Total, incl. mine fuel 11,775 12,015 11.335 194.310 181.336 Daily average °Crude Petroleumpal equivalent of weekly output 6,267 6,258 5,737

101,487 102,568 86.819 *Total barrels produced during the week converted into equivalent coal assuming 8,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

| | | (TIL MET | Tons) | | | |
|---|---------------------------|-------------------|---------------------------|-----------------------|--------------------|--------------------|
| | | -Week End | ed | Calendar Year to Date | | |
| | §Apr. 24 | Apr. 17 | Apr. 25 | Apr. 24 | Apr. 25 | Apr. 27 |
| Penn. anthracite— *Total, incl. colliery fuel | | 1943 1.368,000 | 1942 1,289,000 | 1943 19.938.000 | 1942 18,522,000 | 1929 23.918.000 |
| †Commercial production | 1,090,000 | 1,313,000 | 11,237,000 | | | |
| Beehive coke— United States total | 167,100 | 161,500 | 161,200 | 2,614,000 | 2,460,000 | 2,022,300 |
| By-product coke— United States total | 1,224,500 | 1,232,100 | 1,169,600 | 19,883,300 | 19,212,700 | : |
| | and dredge colliery fu | | d coal ship parable da | | | |

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

| | | | Week Ende | | | April |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| State- | Apr. 17 1943 | Apr. 10 1943 | Apr. 18 1942 | Apr. 19 1941 | Apr. 17 1937 | Avge. ¶1923 |
| Alabama | 379 | 377 | 374 | 42 | 22 | 412 |
| Alaska | 6 / | 6 | 6 | 5 | 3 | 0.0 |
| Arkansas and Oklahoma | 66 | 74 | 52 | . 8 | 5 | 70 |
| Colorado | 140 | 135 | 119 | 62 | 55 | 184 |
| Georgia and North Carolina | 1 | 1 | 1 | 1 | 11 | 0.0 |
| Illinois | 1.471 | 1.539 | 1.163 | 226 | 513 | 1.471 |
| Indiana | 502 | 553 | 462 | 29 | 175 | 514 |
| Iowa | | 50 | 52 | 32 | 22 | 100 |
| Kansas and Missouri | 174 | 161 | 147 | 85 | 35 | 138 |
| Kentucky-Eastern | 934 | 983 | 964 | 27 | 720 | 620 |
| Kentucky-Western- | 319 | 307 | 216 | 324 | 75 | 188 |
| Maryland | 38 | 42 | 43 | 4 | 22 | 52 |
| Michigan | 7 | 10 | 3 | 5 | 3 | 22 |
| Montana (bituminous and | | 10 | 0 | 3 | 0 | 24 |
| lignite) | 93 | 81 | 67 | 39 | 29 | 45 |
| New Mexico | 38 | 40 | . 30 | 20 | 30 | 59 |
| North and South Dakota | 30 | 20 | 30 | 20 | 30 | 95 |
| (lignite) | 26 | 34 | 51 | 17 | 20 | **16 |
| Ohio | 689 | 737 | 700 | 70 | 296 | 766 |
| Pennsylvania (bituminous) | 2.880 | 2,983 | 2.893 | 19 | 1,918 | 3.531 |
| Tennessee | 145 | 150 | 160 | 27 | 47 | 121 |
| Texas (bituminous and lig- | | 200 | 200 | | 41 | 121 |
| nite) | 5 | 6 | 5 | 6 | 16 | 20 |
| Utah | 136 | 130 | 76 | 1 | 36 | 70 |
| Virginia | 426 | 437 | 412 | 59 | 165 | 249 |
| Washington | | 25 | 48 | 28 | 26 | 35 |
| West Virginia-Southern | 2.377 | 2,372 | 2.260 | 6 | 1.560 | 1.256 |
| West Virginia—Northern | 913 | 988 | 922 | 53 | 525 | 773 |
| Wyoming | 171 | 178 | 120 | 109 | 62 | 116 |
| Other Western States | 1 | 1 | 1 | 109 | †† | 006 |
| | | | - 111 | | - | |
| Total bituminous and lig- | | | | | | |
| nite | 12,015 | 12,400 | 11.327 | 1.305 | 6.380 | 10.836 |
| | 1,368 | 1,362 | 1,318 | 611 | 1,653 | 1,974 |
| Total all coal | 13.383 | 13.762 | 12.645 | 1 916 | 8 033 | 12 810 |

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. †Includes Arizona California, Idaho, Nevada and Oregon. Data for Pennsylvania anthracite from published records of the Bureau of Mines. Average weekly rate for entire month. *Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Green Says Freedom Of Enterprise Is Economic Freedom Jealously Guarded By Workers

William Green, President of the American Federation of Labor. in discussing the future of the freedom of enterprise before the annual meeting of the Chamber of Commerce of the United States in New York City, said on April 27 that "this freedom of enterprise is not the sole prerogative of the owners and managers of industry but "is a freedom shared and jealously guarded by every American worker and farmer.'

Mr. Green further declared that labor's equal right to free enterin the hearts of American citizens as their political and religious freedoms!

In presenting a few plain facts in behalf of 6,000,000 members of the A. F. of L., Mr. Green stated:

"We believe sincerely in free enterprise. We recognize the right to own and manage private property. We concede that the owners and managers of private industry and farms are entitled to a fair profit. We of the American Fedor desire to abridge, appropriate or interfere with the functions or prerogatives of management.

'it is an economic freedom—the prise. We ask that management freedom of opportunity—which is recognize the right of workers to ust as important and just as basic organize into free and democratic trade unions of their own choosing. We ask that the owners and managers of private industry agree to bargain collectively with these trade unions representing their workers. We ask that management disavow any intention or desire to control, destroy or dominate the trade unions of their workers. And, finally, we ask that the right of workers to secure for themselves wages and conditions commensurate with American standards of living be assured.

"If we can reach a national understanding on these principlesa clear-cut, honest and sincere "At the same time, we ask that agreement to make these prin- thority in keeping with their re-

to abide by them-then we can tackle the difficulties and responsibilities of post-war reconstruction with every assurance of success.

"Just as industry resists undue government interference with the operation of its everyday affairs, organized labor likewise resents undue government intervention in the free enterprise of the tradeunion movement. To my way of thinking, the sooner we can return the operations of government to their normal and necessary sphere, the better for our American democracy. We can hasten this process when conflicts between management and labor are banished and harmonious, cooperative relationships become the rule.

"As the representative of six million American workers, I hereby give you my solemn pledge that labor will go more than half way toward a meeting of minds and unity of action. We are ready to work with you and serve with you and sacrifice with you, come what may, for democracy's inevitable victory and for the ultimate triumph of free enterprise."

Lend-Lease Aid To Africa Valued At \$26,250,000

E. R. Stettinius, Jr., Lend-Lease Administrator, announced on April 19 that in the first four months of United Nations' occupation of North Africa the United States shipped 126,184 tons of food, clothing, medicines and other civilian necessities, worth \$26,250,000, to rehabilitate the local civilian population.

Mr. Stettinius further estimated that \$50,000,000 worth of lend-lease supplies will be delivered by June 30.

In addition to these supplies from the United States, Great Britain, it is stated, has sent in more than 350,000 tons of coal for North Africa's railroads and industries and lesser amounts of other civilian supplies.

Shipments of textiles, flour, sugar, clothing, tea and other agricultural products and seeds lead. Mr. Stettinius's statement added:

"Most lend-lease civilian supplies sent to North Africa, as well as supplies sent by Great Britain are distributed through commer-In return, the cial channels. United States will receive either francs with which to pay for raw materials and other supplies from North Africa or the supplies themselves. A small proportion of the lend-lease supplies, especially milk for children, is distributed direct to the people by the Office of Foreign Relief and Rehabilitation Operations through American Red Cross and other personnel.

"Generally the problem in North Africa has been that the people had francs with which to buy food and clothing but the Germans had left nothing for them to buy with their money.

"It is hoped with the aid of lend-lease supplies that North African farm production can be increased so that many of the food requirements of American and British forces in this area can be supplied locally.'

Burke Named OPA Counsel

Price Administrator Prentiss M. Brown announced on April 19 the appointment of George J. Burke of Ann Arbor, Mich., as General Counsel of the Office of Price Administration, succeeding David Ginsburg, who resigned recently. Mr. Burke, in assuming his new duties, said he would work toward a "further and continuing simplification" of OPA regulations, and extension to local war price and rationing boards of a "fuller degree of au-

Trading On New York Exchanges

The Securities and Exchange Commission made public May 1 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all the week totals \$47,100,000. This volume, not including the conmembers of these exchanges in the week ended April 17, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended April 17 (in roundlot transactions) totaled 2.714,760 shares, which amount was 19.15% of the total transactions on the Exchange of 7,087,690 shares. compares with member trading during the week ended April 10 of 4,787,643 shares or 17.05% of total trading of 14,039,040 shares. On the New York Curb Exchange, member trading during the week ended April 17 amounted to 423,985 shares, or 15.15% of the total volume of that Exchange of 1,398,805 shares; during the April 10 week trading for the account of Curb members of 911,475 shares was 17.39% of total trading of 2,621,280 shares.

The Commission made available the following data for the week ended April 17.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

| The state of the s | N. Y. Stock Exchange | N. Y. Cur Exchange |
|--|-------------------------|-----------------------|
| Total number of reports received | 943 | 683 |
| 1. Reports showing transactions as specialists | 171 | 76 |
| 2. Reports showing other transactions initiated on the floor | 205 | 50 |
| 3. Reports showing other transactions initiated off | 234 | 81 |
| 4. Reports showing no transactions | 448 | 480 |

Note-On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports in the various classifications may total more than the number.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED APRIL 17, 1943

| WEEK ENDED AFRID 11, | 1949 | |
|---|----------------------|--------------|
| A. Total Round-Lot Sales: | Total for week | †Per Cent |
| Short sales | 205,420 6,882,270 | |
| Total sales | 7.087.690 | |
| B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists: 1. Transactions of specialists in stocks in which they are registered— | | |
| Total purchases | 646,270 | |
| Short sales | 90,580 | |
| Other sales | 656.050 | |
| Total sales | 746,630 | 9.82 |
| 2. Other transactions initiated on the floor- | | |
| Total purchases | 424,940 | |
| Short sales | 33,200 | |
| Other sales | 398,000 | |
| Total sales | 431,200 | 6.04 |
| 3. Other transactions initiated off the floor- | | |
| Total purchases | 235,480 | |
| Short sales | 22,090 | |
| ‡Other sales | 208,150 | |
| Total sales | 230,240 | 3.29 |
| 4. Total— | | |
| Total purchases | 1,306,690 | |
| Short sales | 145,870 | |
| Other sales | 1,262,200 | |
| Total sales | 1,408,070 | 19.15 |
| | | |

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED APRIL 17, 1943

| . Total Round-Lot Sales: | Total for week | †Per Cent |
|---|--------------------|---------------|
| Short sales | | |
| Other sales | 9,195 1,389,610 | |
| Total sales | 1,398,805 | |
| Round-Lot Transactions for the Account of Members: | | |
| Transactions of specialists in stocks in which they are registered— | | The same |
| Total purchases | 126,065 | |
| Short sales | 5,580 | |
| Other sales | 120,670 | |
| Total sales | 126,250 | 9.02 |
| 2. Other transactions initiated on the floor- | 45 400 | |
| Total purchases | 45,420 | |
| Short sales | 1,500 | |
| Other sales | 50,800 | |
| Total sales | 52,300 | 3.49 |
| 3. Other transactions initiated off the floor- | | |
| Total purchases | 30,570 | |
| Short sales | 1.600 | |
| Other sales | 41,780 | |
| Total sales | 43,380 | 2.64 |
| 4. Total— | | |
| Total purchases | 202,055 | |
| Short sales | 8.680 | |
| ‡Other sales | 213,250 | |
| Total sales | 221,930 | 15.15 |
| Odd-Lot Transactions for the Account of Special- | | |
| Customers' short sales | 0 | |
| (Customers' other sales | 46,384 | |
| Total purchases | 46,384 | |
| Total sales | 40,810 | |
| *The term "members" includes all regular and acce | ociate Evchange | members their |

The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes

‡Round-lot short sales which are exempted from restriction by the Commission is are included with "other sales." ESales marked "short exempt" are included with "other sales."

Engineering Construction In Continental U. S. \$47,100,000 For Week

Civil engineering construction volume in continental U.S. for struction by military combat engineers, American contracts outside the country, and shipbuilding, is 43% lower than in the preceding week, and 74% below the corresponding 1942 week's total as reported by "Engineering News-Record" on April 29. Private work tops a week ago by 27%, but is 45% under a year ago. Public construction is 47 and 76% lower, respectively, than last week and last year. The report continued:

The current week's construction brings 1943 volume to \$1,218,-109,000, an average of \$71,653,000 for each of the seventeen weeks. On the weekly average basis, 1943 volume is 55% lower than the \$2,891,784,000 reported for the eighteen-week period a year ago. Private construction, \$127,752,000, is 46% below last year, and public work, \$1,090,357,000, is 56% lower when adjusted for the difference in the number of weeks. State and municipal work, and Federal volume, are 75 and 54.5% under their respective 1942 totals.

Construction volumes for the 1942 week, last week, and the current week are:

| | Apr. 30, 1942 | Apr. 22, 1943 | Apr. 29, 1943 |
|---------------------------|---------------|---------------|---------------|
| Total U. S. Construction_ | \$182,270,000 | \$83,165,000 | \$47,100,000 |
| Private Construction | 8,304,000 | 3,616,000 | 4,605,000 |
| Public Construction | 173,966,000 | 79,549,000 | 42,495,000 |
| State and Municipal | 11,318,000 | 1,920,000 | 5,306,000 |
| Federal | 162,648,000 | 77,629,000 | 37,189,000 |

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, industrial buildings, earthwork and drainage, and streets and roads. Increases over the 1942 week are in bridges, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, \$1,665,000; sewerage, \$285,000; bridges, \$980,000; industrial buildings, \$2,490,000; commercial buildings, \$1,845,000; public buildings, \$25,350,000; earthwork and drainage, \$1,830,000; streets and roads, \$4,443,000, and unclassified construction, \$8,212,000.

New capital for construction purposes for the week totals \$10,-434,000. It is made up of \$3,434,000 in State and municipal bond sales, and \$7,000,000 in RFC loans for private industrial expansion.

New construction financing for the year to date, \$479,279,000, compares with \$2,458,821,000 reported for the eighteen-week period

Non-Ferrous Metals—Supply For Ordinary Civilian Needs Gloomy—Lead Sales Smaller

Editor's Note .- At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of April 29, stated: "Fabricators of copper and zinc interested in the civilian supply needs of the country see nothing on the horizon that points toward larger allotments of these metals for non-essential uses. The latest 'critical' materials list of WPB, issued last week, continues to classify both items as among those that are insufficient in supply

either for war demands alone or® for war plus essential civilian demands. Osmium, rhodium, columbium, and metallic calcium have been placed among the 'most critical' commodities. Zinc allocations for May are in the mail. Lead sales, as expected, were smaller last week. There were no price changes in major metals.' The publication further went on to say in part:

Copper

"The position of copper has not changed during the last week. Producers were busy arranging for the movement of the large tonnages allocated for May. Domestic copper continued at 12¢, Valley. Foreign copper was absorbed by Metals Reserve on the basis of 11.75¢, f.a.s. United States

"Mount Isa, operating in Australia as a large lead-zinc producer, may also become an important producer of copper in the future, according to F. H. Brow-

nell, Chairman of A. S. & R. Co. "The Buick division of General Motors has put 75-mm. steel shell cases into mass production in one of its plants. Production has been under way for several months, H. H. Curtice, General Manager of the division, stated last week, with volume increasing daily. He referred to the process as 'one of the toughest jobs in the history of military production."

Zinc

"Allocation certificates for zinc for May went into the mail in Washington on April 28. The industry looks for no relaxation in the Government's view of the supply outlook. All surplus metal is still being earmarked for the stockpile. Some observers regard the High Grade situation as much better than at the turn of the year. The call for Lend-Lease zinc has been smaller.

"The quotation for Prime Western continued on the basis of 81/4¢. East St. Louis.

Lead

"With the current month's business virtually out of the way, and consumers well on the road to full coverage for May, the market for lead was inactive last week so far as new bookings were concerned. The trade believes that actual consumption of lead has increased since the beginning of this year, but with supplies regarded as ample, further gains in use of the metal would be most acceptable. WPB, in its latest listing of critical materials, issued last week, retained lead in Group III, indicating that the metal is in sufficient supply for use as a substitute for more critical mate-

"Mexican properties of the American Smelting & Refining Co. are producing satisfactorily, F. H. Brownell, Chairman, announced at the annual meeting of the company. The Mexican Government, he said, is cooperating fully with the Government of the United States, and, in his opinion, the situation in that country now is better than before 1912.

Tin

"The joint United States-Bolivian Commission of labor experts, in its report to the Bolivian authorities, did not touch on the subject of adequacy of present tin prices nor did it make any recommendations for a revision of contracts, according to reports from La Paz. Rumors in New York had it that a higher price would be suggested with a view toward contributing funds to im-

"The price situation in tin re- February and \$17,850,000 in mains unchanged. Straits quality March, 1942."

metal for shipment, cents per

| | | April | May | June |
|---------|----|--------|--------|--------|
| April 3 | 22 | 52.000 | 52.000 | 52.000 |
| April 2 | 23 | 52.000 | 52.000 | 52.000 |
| April : | 24 | 52.000 | 52.000 | 52.000 |
| | 1G | 52.000 | 52.000 | 52.000 |
| | 27 | 52.000 | 52.000 | 52.000 |
| | 8 | 52.000 | 52.000 | 52.000 |

"Chinese tin 99% grade, continued at 51.125¢ a pound.

Quicksilver

"In report No. 8 on critical ...aterials, issued by the War Production Board during the last week, quicksilver was retained in the second classification, which covers commodities that are in sufficient supply for war and essential civilian products. Production on the Pacific Coast from now on is expected to show a seasonal gain. Demand for quicksilver for war purposes remains high. With Metals Reserve taking all surplus material offered to it by either domestic or foreign producers, the marketing problem amounts to next to nothing. Quotations in New York continued at \$196@\$198 per flask.

Silver

"During the past week the silver market in London has been quiet, with the price unchanged at 231/2d.

"The New York Official and the Treasury prices are unchanged at 44% c and 35c, respectively.

"Silver production from domestic mines (in terms of recoverable metal) was 3,515,130 ounces in February, which compares with 3,759,671 ounces (revised) in January, according to the Bureau of Mines. Average monthly production of silver for 1942 was 4,574,-044 ounces. The Bureau's figures include Alaska.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Canadian Business Continues At High Level

The Bank of Montreal in its Business Summary" dated April 22, reports as follows:

"Manufacturing production rose nearly 27% in the first two months of the year as compared with a year ago, with special gains in flour milling, the output of creamery butter and the release of cigars and cigarettes. The number of persons employed, as of Feb. 1, showed an increase of about 10% over the same date last year. Payroll distribution increased from \$45,747,000 to \$54,-347,000. Newsprint mill operations showed little change as between February and March, the production ratio declining from 64.9% to 64.2% of capacity and shipments from 65.1% to 64.6% Official February of capacity. figures revealed a 1.1% gain in the production of steel ingots and castings by Canadian plants as compared with February, 1942, but the output of pig iron de-clined 17.1% in the first two months of the year. In the field of mining, there is a high scale of production in the mines which are producing base metals such as copper, nickel and lead, required for war purposes, but the gold mines are now feeling acutely the consequences of withdrawals of labor and inability to replace worn-out equipment. In March, receipts of gold at the Mint fell to 279,282 ounces, as compared with 323,100 ounces in February and 377,109 ounces in March, 1942. The construction industry experienced a considerable recession in March, the value of new conprove labor conditions of all tracts awarded being \$11,110,000. classes of workers in that country. as compared with \$19,019,000 in

Revenue Freight Car Loadings During Week Ended April 24, 1943, Increased 13,286 Cars

Loading of revenue freight for the week ended April 24, 1943 totaled 794,194 cars, the Association of American Railroads announced on April 29. This was a decrease below the corresponding week of 1942, of 67,163 cars, or 7.8%, but an increase above the same week in 1941, of 72,567 cars or 10.1%

Loading of revenue freight for the week of April 24 increased

13,286 cars, or 1.7% above the preceding week.

Miscellaneous freight loading totaled 377,173 cars, an increase 279 cars above the preceding week, but a decrease of 5,258 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,-566 cars, an increase of 281 cars above the preceding week, but a decrease of 25,020 cars below the corresponding week in 1942.

Coal loading amounted to 164,978 cars, a decrease of 5,046 cars below the preceding week, and a decrease of 4,684 cars below the corresponding week in 1942.

Grain and grain products loading totaled 45,216 cars, an increase of 2,627 cars above the preceding week, and an increase of 9,539 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of April 24 totaled 30,932 cars, an increase of 1,839 cars above the preceding week and an increase of 8,632 cars above the corresponding week in 1942.

Livestock loading amounted to 15,156 cars, an increase of two cars above the preceding week, and an increase of 1,371 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of April 24 totaled 11,795 cars, a decrease of 332 cars below the preceding week, but an increase of 1,301 cars above the corresponding week in 1942.

Forest products loading totaled 43,189 cars, an increase of 1,788 cars above the preceding week, but a decrease of 8,071 cars below the corresponding week in 1942

Ore loading amounted to 35,383 cars, an increase of 13,754 cars above the preceding week, but an decrease of 35,528 cars below the corresponding week in 1942.

Coke loading amounted to 14,533 cars, a decrease of 399 cars below the preceding week, but an increase of 488 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Centralwestern and Southwestern, but all districts reported increases above the corresponding week in 1941 except Eastern and Northwestern.

| | 1943 | 1942 | 1941 |
|---------------------|------------|------------|------------|
| 5 weeks of January | 3,530,849 | 3.858.479 | 3,454,409 |
| 4 weeks of February | 3,055,640 | 3.122.942 | 2,866,565 |
| 4 weeks of March | 3,073,426 | 3,174,781 | 3,066,011 |
| Week of April 3 | 772,133 | 829,038 | 683.402 |
| Week of April 10 | 789,018 | 814,096 | 679,808 |
| Week of April 17 | 780.908 | 846.505 | 708,793 |
| Week of April 24 | 794,194 | 861,357 | 721,627 |
| Total | 12,796,168 | 13,507,198 | 12,180,615 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 24, 1943. During this period only 40 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)-WEEK ENDED APRIL 24

| Railroads | | otal Reven | | | ved from nections |
|--|------------|------------|------------|----------|----------------------|
| Eastern District- | 1943 | 1942 | 1941 | 1943 | 1942 |
| Ann Arbor | 311 | 540 | 526 | 1.714 | 1,388 |
| Bangor & Aroostook | 1.252 | 2.023 | 1.440 | 298 | 274 |
| Roston & Maine | 5.900 | 7.395 | 8.799 | 14.353 | 16,683 |
| Chicago, Indianapolis & Louisville | 1.697 | 1,420 | 1,029 | 2.014 | 2,050 |
| Central Indiana | 43 | 34 | 18 | 50 | 67 |
| Central Vermont | 1.053 | 1.144 | 1.404 | 2,140 | 2.352 |
| Delaware & Hudson | 6.502 | 7.045 | 5.077 | 11.836 | 13.163 |
| Delaware & Hudson Delaware, Lackswanna & Western | 7.255 | 8,544 | 8.191 | 12.448 | 9.581 |
| Detroit & Mackinac | 246 | 292 | 253 | 115 | 141 |
| Detroit Toledo & Ironton | 1.729 | 1.831 | 2.976 | 1.557 | 1.375 |
| Detroit & Toledo & Ironton Detroit & Toledo Shore Line | 344 | 320 | 393 | 2,807 | 3,440 |
| Erie | 11.954 | 14.933 | 15,778 | | |
| Grand Trunk Western | | 4.233 | 6,503 | 18.973 | 16.821 |
| | | | | 8,956 | 8.454 |
| Lehigh & Hudson River | 239 | 221 | 315 | 3.167 | 3,689 |
| Lehigh & New England | 1,591 | 2,351 | 1.795 | 1,716 | 2 029 |
| Lehigh Valley | 6,707 | 9.639 | 8 687 | 14.777 | 12,965 |
| Maine Central | 2.091 | 2,550 | 3,049 | 2,690 | 3,889 |
| Monongahela | 6,645 | 6,837 | 275 | 421 | 361 |
| Montour | 2,480 | 2,354 | 111 | 34 | 54 |
| New York Central Lines | 52.137 | 49,620 | 47.459 | 51.822 | 56.054 |
| N. Y., N. H. & Hartford | 9,744 | 11,446 | 11.527 | 18.395 | 20.894 |
| New York, Ontario & Western | 1,015 | 962 | 1.065 | 2 316 | 3 335 |
| New York, Chicago & St. Louis | 6.522 | 7,336 | 6.553 | 16.113 | 15,340 |
| N. Y., Susquehanna & Western | 511 | 541 | 453 | 1.748 | 1.405 |
| Pittsburgh & Lake Erie | 7,777 | 8.799 | 6.873 | 8.340 | 9.326 |
| Pere Marquette | | 5,808 | 7.030 | 7,904 | 6,315 |
| Pittsburg & Shawmut | 739 | 774 | 70 | 30 | 61 |
| Pittsburg, Shawmut & North | 333 | 485 | 217 | 231 | 367 |
| Pittsburgh & West Virginia | | 1.146 | 365 | 2.628 | 2,929 |
| Pittsburgh & west virginia | 336 | 501 | 676 | 989 | 1,155 |
| Rutland | 5,453 | 5.385 | 6.430 | 12.171 | 12,457 |
| Wabash | | 5.879 | 4.760 | 4,735 | |
| Wheeling & Lake Erie | 4.435 | 3,679 | 4,760 | 4,730 | 4,939 |
| Total | 156,426 | 172.388 | 160,102 | 227.488 | 233.353 |
| Allegheny District- | E NOR | | College of | | Law I |
| Akron, Canton & Youngstown | 826 | 686 | 737 | 1.417 | 995 |
| Baltimore & Ohio | 40.338 | 42.486 | 30.647 | 29.520 | 27.879 |
| Bessemer & Lake Erie | 2.658 | 6.983 | 6.003 | 1,700 | 2,305 |
| Buffalo Creek & Gauley | 307 | 339 | 6 | 5 | 1 |
| Cambria & Indiana | 1.843 | 1.946 | 5 | 9 | 10 |
| | 6.856 | 8,605 | 6.789 | 20.887 | 20,664 |
| Central R. R. of New Jersey | 637 | 670 | 673 | 105 | 63 |
| Cumberland & Pennsylvania | 247 | 303 | 58 | | |
| | 122 | 151 | 21 | 13 59 | 19 |
| Ligonier Valley | | | | | 61 |
| Long Island | 1,225 | 874 | 794 | 3.793 | 3.622 |
| Penn-Reading Seashore Lines | 1.662 | 1.725 | 1,559 | 3,136 | 2 605 |
| Pennsylvania System | 77.483 | 85,142 | 68.663 | 65.143 | 65.274 |
| Reading Co | 14,426 | 17,181 | 16,980 | 27,401 | 29.415 |
| Union (Pittsburgh) | 20.880 | 21,147 | 19.944 | 4,229 | 7,130 |
| Western Maryland | 4,008 | 4.052 | 2,114 | 12.786 | 13.092 |
| Total | 173,518 | 192.293 | 154.993 | 170,206 | 173.135 |
| Pocahentas District- | Assault VI | Mas year | | | |
| Chesapeake & Ohio | 28.580 | 29,669 | 8.668 | 13.424 | 13.460 |
| Norfolk & Western | 22,363 | 23.858 | 7.545 | 7.169 | 7,113 |
| Virginian | 4,750 | 4.613 | 601 | 2,239 | 2,138 |
| VII GILLIAM | | | | | |
| Total | 55,693 | 58,140 | 16,814 | 22,832 | 22,711 |
| | | | | | |

| | Railroads | Total Revenue Receiv | | | | l Loads ved from ections |
|-----|---|----------------------|---------------|---------------|-----------------|--------------------------------|
| Ÿ | Southern District- | 1943 | 1942 | 1941 | 1943 | 1942 |
| r | Alabama, Tennessee & Northern | 268 | 410 | 335 | 374 | 326 |
| , | Atl. & W. PW. R. R. of Ala. | 738 | 928 | 884 | 2.341 | 2.300 |
| , | Atlanta, Birmingham & Coast | 711 | 792 | 703 | 1,533 | 1,134 |
| • | Atlantic Coast Line | 14,652 | 13,729 | 12,226 | 10,533 | 9.288 |
| 5 | Central of Georgia | 4,345 | 4,150 | 4,566 | 4.933 | 4,292 |
| | Charleston & Western Carolina | 392 | 446 | 500 | 1.858 | 1.823 |
| | Clinchfield Columbus & Greenville | 1,545 | 1,800 | 1,610 | 3,062 | 2,793 215 |
| | Durham & Southern | 310 123 | 399 173 | 258 203 | 174 414 | 964 |
| | Florida East Coast | 2.684 | 1.949 | 1,107 | 2,367 | 1,427 |
| | Gainesville Midland | 40 | 43 | 35 | 119 | 90 |
| 9 | Georgia | 1.334 | 1.428 | 1.093 | 2.441 | 2,647 |
| Ó | Georgia & Florida | 358 | 410 | 387 | 661 | 581 |
| | Gulf, Mobile & Ohio | 3,859 | 4,504 | 3,618 | 4,671 | 3,917 |
| | Illinois Central System | 26,428 | 29,493 | 22.580 | 16,959 | 15,560 |
| 1 | Louisville & Nashville | 24,242 | 27,688 | 15,485 | 11,396 | 10,911 |
| l , | Macon, Dublin & Savannah | 210 | 169 | 177 | 983 | 785 |
| | Mississippi Central Nashville, Chattanooga & St. L | 218 3.095 | 182 3,469 | 3,464 | 4,899 | 490 |
| | Norfolk Southern | 1.101 | 1,450 | 1.481 | 1.483 | 1,808 |
| | Piedmont Northern | 351 | 445 | 455 | 1.330 | 1,168 |
| | Richmond, Fred. & Potomac | 406 | 603 | 391 | 10,490 | 10.676 |
| 1 | Seaboard Air Line | 11,063 | 11,624 | 10,682 | 8,592 | 7,384 |
| | Southern System | 21,694 | 25,890 | 23,581 | 24.236 | 23,898 |
| | Tennessee Central | 463 | 799 | 659 | 814 | 1,197, |
| ij | Winston-Salem Southbound | 116 | 137 | 140 | 936 | 967 |
| | Total | 120,771 | 133.116 | 106 760 | 118.136 | 110 700 |
| | Total | 120.771 | 100.110 | 106,762 | 110,130 | 110,700 |
| | Northwestern District- | | | | | |
| | Chicago & North Western | 18.337 | 22.651 | 21.781 | 12,456 | 12,795 |
| 3 | Chicago Great Western | 2.490 | 2,410 | 2.597 | 3,061 | 2.917 |
| 1 | Chicago, Mi.w., St. P. & Pac. | 20.002 | 19.976 | 19,818 | 10.666 | 9.331 |
| | Chicago, St. Paul, Minn, & Omaha | 3,116 | 3,895 | 3,412 | 3,705 | 3,687 |
| | Duluth, Missabe & Iron Range | 12,055 | 20,348 | 20,952 | 217 | 273 |
| | Duluth, South Shore & Atlantic | 481 | 932 | 1,061 | 423 | 399 |
| 1 | Elgin, Joliet & Eastern | 8,285 | 10,050 | 9,854 | 10,352 | 11,003 |
| | Ft. Dodge, Des Moines & South | 471 | 650 | 576 | 104 | 135 |
| 1 | Great Northern | 12,445 | 19,352 | 20,763 | 5,498 | 4.575 |
| 1 | Green Bay & WesternLake Superior & Ishpeming | 442 | 549 2,662 | 572 4,417 | 837 27 | 755 67 |
| d | Minneapolis & St. Louis | 2,105 | 2,226 | 1,723 | 2.579 | 2.461 |
| 1 | Minn., St. Paul & S. S. M. | 5.214 | 6.565 | 7,183 | 2.957 | 3.002 |
| 1 | Spokane International | 9.122 | 10,212 | 9,869 | 5.513 | 4.658 |
| i | Northern Pacific | *124 | 114 | 180 | *704 | 408 |
| 1 | Spokane, Portland & Seattle | 2,160 | 2,781 | 2,610 | 3,572 | 3.019 |
| 1 | Total | 97.271 | 125.373 | 127,368 | 62,671 | 59,635 |
| | Central Western District- | | | | | |
| 1 | Atch., Top. & Santa Fe System | 22,796 | 21.821 | 20.164 | 13.828 | 10,316 |
| 1 | Alton | 2,779 | 3.544 | 3,215 | 4.001 | 3.661 |
| 1 | Bingham & Garfield | 467 | 642 | 566 | 78 | 103 |
| 1 | Chicago, Burlington & Quincy | 17.544 | 15.416 | 14,214 | 12,474 | 10,115 |
| 1 | Chicago & Illinois Midland | 2.496 | 2.723 | 214 | 821 | 823 |
| 1 | Chicago, Rock Island & Pacific | 12,595 | 11,557 | 12,344 | 14,297 | 11,412 |
| 1 | Chicago & Eastern Illinois | 2,967 | 2,495 | 2,466 | 5.763 | 2.858 |
| 1 | Colorado & Southern | 700 | 692 | 744 | 2.052 | 1.530 |
| 1 | Denver & Rio Grande Western Denver & Salt Lake | 3,117 619 | 2,400 320 | 1.884 262 | 6,280 | 4,870 |
| 1 | Fort Worth & Denver City | 945 | 965 | 1.055 | 2.261 | 818 |
| 9 | Illinois Terminal | 1.865 | 1,977 | 1,788 | 2.044 | 2,249 |
| 1 | Missouri-Illinois | 1,061 | 1,519 | 947 | 563 | 357 |
| 1 | Nevada Northern | 2,094 | 2,030 | 1,851 | 122 | 119 |
| 1 | North Western Pacific | 1.041 | 1,090 | 809 | 590 | 477 |
| | Peoria & Pekin Union | 7 | 10 | 6 | 14 050 | 0 501 |
| | Southern Pacific (Pacific) | 29,105 | 29,722 | 27,534 | 14,650 | 9,521 |
| 1 | Toledo, Peoria & Western | 387 13.277 | 295 14,750 | 448 14,292 | 1,680 15,907 | 1,228 12,034 |
| | Utah | 601 | 477 | 14,292 | 15,907 | 9 |
| | Western Pacific | 1,943 | 2,176 | 1,747 | 3,194 | 3.588 |
| | Total | 118.406 | 116,651 | 106,566 | 100,611 | 76,100 |
| 1 | Southwestern District- | | | | | |
| 1 | | 000 | 100 | 104 | 920 | 101 |
| 1 | Burlington-Rock Island | 863 7,488 | 130 5,590 | 124 3.879 | 239 | 2.739 |
| 1 | International-Great Northern | 2,437 | 2,387 | 3,879 | 4.028 | 3,952 |
| 1 | Kansas, Oklahoma & Gulf | 351 | 220 | 175 | 1.002 | 903 |
| 1 | Kansas City Southern | 5.742 | 4,504 | 2,036 | 3.144 | 2,465 |
| 1 | Louisiana & Arkansas | 2.840 | 2,913 | 2,119 | 2.733 | 1,821 |
| 1 | Litchfield & Madison | 309 | 329 | 434 | 1,001 | 1.117 |
| 1 | Midland Valley | 657 | 643 | 408 | 299 | 289 |
| 1 | Missouri & Arkansas | 153 | 219 | 141 | 407 | 425 |
| 1 | Missouri-Kansas-Texas Lines | 6.385 | 5,367 | 3,851 | 5,968 | 3,951 |
| | Missouri PacificQuanah Acme & Pacific | 16,919 | 16,084 | 13,397 | 19,449 | 15,643 |
| | St. Louis-San Francisco | 8,379 | 8.121 | 6,900 | 8.282 | 7.640 |
| | St. Louis Southwestern | 3,589 | 3.060 | 2,407 | 6,244 | 4,967 |
| 1 | | | | | | |

*Previous week's figure.

Texas & New Orleans____ Texas & Pacific____

Wichita Falls & Southern

Weatherford M. W. & N. W

Note-Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

20

72,109

138

63.396

148

49.022

23

68.234

25

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS-ORDERS, PRODUCTION, MILL ACTIVITY

| Period 1943—Week Ended | Orders Received Tons | Production Tons | Orders Remaining Tons | Percent o | |
|---------------------------|--|--|--|----------------------|----------------|
| Jan. 2 | 126,844 | 97,386 | 379,573 | 62 | 84 |
| Jan. 9 | 134,982 | 129,365 | 381,713 | 82 | 82 |
| Jan. 16 | 157,251 | 137,055 | 397,437 | 88 | 85 |
| Jan. 23 | 143,028 | 140,849 | 398,594 | 88 | 86 |
| Jan. 30 | 152,358 | 136,645 | 413,084 | 88 | 86 |
| Feb. 13 | 169,417 | 140,836 | 439,304 | 89 | 87 |
| | 148,687 | 137,784 | 446,981 | 87 | 87 |
| | 141,435 | 142,932 | 445,982 | 91 | 88 |
| | 156,628 | 147,085 | 454,308 | 94 | 88 |
| Mar. 6 | 175,178 166,885 155,116 139,911 | 147,830 146,062 149,096 150,754 | 480,802 498,927 504,414 488,197 | 93 93 92 95 | 89 89 90 |
| Apr. 3 | 172,412 | 153,030 | 511,220 | \$5 | 90 |
| Apr. 10 | 153,260 | 153,006 | 510,784 | 95 | 91 |
| Apr. 17 | 164,805 | 152,494 | 515,700 | 96 | 92 |
| Apr. 24 | 159,231 | 155,163 | 517,473 | 97 | 92 |

Notes-Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 1 a summary for the week ended April 24 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEAL-ERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

| Week Ended April 24, 1 | 943 |
|--|--|
| Odd-Lot Sales by Dealers: (Customers' purchases) Number of Orders Number of Shares Dollar Value Odd-Lot Purchases by | Total for Week 15,527 444.687 15,211,448 |
| Dealers- | |
| (Customers' Sales) | |
| Number of Orders: | |
| Customers' short sales | 167 15,803 |
| Customers' total sales | 15,970 |
| Number of Shares: | |
| Customers' short sales | 4,818 421,388 |
| Customers' total sales Dollar value | 426,206 12,745,051 |
| Round-lot Sales by Dealers- | |
| Number of Shares: | |
| Short sales | |
| Total sales | 99,440 |
| Round-Lot Purchases by Dealers— | |
| Number of shares | 139,480 |
| *Sales marked "short exemp ported with "other sales." †Sal customers' odd-lot orders, an | les to offset |

liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement-Week Ended April 24, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 457 mills reporting to the "National Lumber Trade Barometer" exceeded production by 9.9% for the week ended April 24, 1943. In the same week new orders of these mills were 13.2% greater than produc-Unfilled order files in the reporting mills amounted to 95% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 16.6%; orders by 20.3%

Compared to the average corresponding week of 1935-39, production of reporting mills was 23.5%greater; shipments were 31.5% greater, and orders were 36.2% greater.

Cotton Spinning For March

The Bureau of the Census announced on April 20 that, according to preliminary figures, 23,were in place in the United States on March 31, 1943, of which 22,-925,194 were operated at some time during the month, compared with 22,859,160 for February, 22,-889,954 for January, 22,887,072 for December, 22,948,248 for November, 23,012,046 for October and 23,108,966 for March, 1942. The aggregate number of active spindle-hours reported for the month was 11,647,373,456. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during March, 1943, at 134.4% capacity. This percentage compares, on the same basis, with 135.9 for February, 138.8 for January, 127.9 for December, 133.4 for November, 136.9 for October and 134.3 for March, 1942. The average number of active spindle-hours per spindle in place for the month was 495.

Items About Banks, Trust Companies

meeting on April 28 approved the proposal to increase the amount of the authorized capital stock of the company from \$12,500,000, consisting of 500,000 shares of the par value of \$25 per share, to \$15,000,000, consisting of 600,000 shares of the par value of \$25 per

The new stock was offered to stockholders of record at the close ment, began on April 28. of business April 28 in the proportion of one share of new stock for each five shares held, at the price of \$75 a share. From the proceeds, \$25 per share will be credited to capital and \$50 to surplus of the company. The new shares must be paid for before three o'clock on the afternoon of May 12, 1943. Transferable warrants issued to stockholders will be void after that time.

In making the announcement, "The company has entered into an added: agreement with Morgan Stanley & Co. and associates for the underwriting of this offering, the underwriters obligating themselves severally to purchase at the aforesaid subscription price of \$75 per share all shares not subscribed for by stockholders."

Previous reference to the increase was reported in our issue of April 29, page 1608.

James T. Lee, a Vice-President of the Chase National Bank of New York for the past 14 years, was on April 28 elected a member of the bank's board of directors. At the same time Mr. Lee resigned from the official staff of the bank in order to devote himself primarily to the executive responsibilities he has assumed recently as President of the Central Savings Bank, Broadway at 74th Street. Mr. Lee is well known as an authority in the field of real estate investment and management.

At the regular meeting of the Board of Directors of City Bank Farmers Trust Company of New York on May 4, Robert W. Dowling was elected a Director. Mr. Dowling is President of the City Investing Company and a trustee of Emigrant Industrial Savings

Allston E. Williams, retired Taunton, Mass., banker, died on April 26 at Palmer Memorial Hospital, Boston. Mr. Williams retired in January, 1942, as Vice-President, Treasurer and Trust Officer of the Bristol County Trust Co., Taunton, ending a career of more than 50 years in banking.

Edwin Sargent has been elected President of the North Arlington (N. J.) National Bank, succeeding the late Fred Klein. Mr. Sargent was formerly Vice-President. was formerly Vice-President. Elected to succeed him in this post was Peter J. Doherty.

Insurances on Lives and Granting 1930, and in 1933 the West To-Annuities, Philadelphia, now has ledo National Bank was absorbed 126 officers and employees who into the Toledo Trust Co. have been associated with the company for 25 years or more, in- commercial bank, maintain the cluding Wm. Fulton Kurtz, com- oldest savings department and pany President, who was inducted operate six offices,' said Harry E. recently into the Penco Quarter Gail, Assistant Treasurer. He re-Century Club. Forty-seven other ported more than 100,000 deposnew members were admitted to itors in savings, commercial, safe meeting. nouncement says:

"Oldest in point of service is J. Clark, Vice-President in President; H. G. Rheiner, Vice- stitution.

Stockholders of the New York President; H. E. Righter, Secre-Trust Company at their special tary, and H. R. Burgoyne, Treasurer.

> The liquidating trustees of the National Bank of America at Pittsburgh announce that they are prepared to pay dividend No. 11 of 5% on the outstanding certificates of participation of the Presentation of certificates, which is necessary for pay-

Advices from Cleveland, April 27, to the Chicago "Journal of Commerce" stated that the National City Bank of Cleveland has asked officers and directors of the Union Bank of Commerce to develop plans for a merger with National City which would give "full recognition to the asset values in this bank," Oscar L. Cox, Presi-dent of Union, announced in a letter to the stockholders. The John E. Bierwirth, President, said advices from which we quote

"Pointing out that the annual meeting of Union is to be held May 26. Mr. Cox told stockholders: 'In the meantime, we suggest that you carefully consider the matter before making any commitment or disposition of your stocks.

"Earlier this month, on April 13. Union stockholders received a letter from the Central National Bank of Cleveland which also proposed a merger of the two banks.

"In his letter Mr. Cox said that directors and officers are now engaged in developing and weighing the 'relevant facts bearing on each of the various alternatives. None of them has any commitment to any particular course. As soon as recommendations are developed they will be promptly communicated to you.'

The Toledo Trust Co., Toledo, Ohio, observed its 75th anniversary on May 1. The following regarding the bank's history was reported in the Toledo "Blade" of April 30:

"It was in May, 1868, that the Toledo Savings Institution—the city's first strictly savings bank, was incorporated. Six years later, on June 18, 1874, the Toledo Savings Bank & Trust Co. was established, and on Feb. 10, 1875, that bank and the Toledo Savings Institution were consolidated under the name of the former.

"Another consolidation on Dec. 31, 1923, linked this bank and the Summit Trust Co., which had begun operation July 1, 1918. The name was changed to Toledo Trust Co.

"This was followed by the merger on May 1, 1924, with the Northern National Bank, and on Oct. 1, 1924, with the Second National Bank. The latter had been operating as a commercial bank since 1864 and with a savings department since 1913.

"Assets of the Union Savings The Pennsylvania Company for Bank were purchased on June 6,

"'We are now Toledo's oldest Club at the same dinner- deposit and trust departments, The company's an- with assets in excess of \$180,-000,000."

The University State Bank. charge of the Corporate Trust Chicago, became a National bank Department, who has been with on May 1 and changed its name The Pennsylvania Company for to the University National Bank. 52 years, and next oldest with a The bank, which was organized record of 49 years is Arthur V. in 1919, now has deposits of more Morton, Vice-President and a than \$10,000,000, capital stock of member of the board. New offi- \$300,000, surplus of \$300,000, and coupons due Nov. 1, 1931, to Nov. cers of the Quarter Century Club undivided profits of \$157,000. C. George E. Katzenbach, W. Hoff is President of the in- be retained for future adjust- debt to the Export-Import Bank

Stockholders of the Marshall & Ilsley Bank, Milwaukee, authorized on April 30 a \$1,000,000 4% cumulative preferred stock issue -20,000 shares of a par value of \$50. Sale of this stock to the public at \$51.25 per share began on May 3 through an underwriting group of investment dealers headed by The Milwaukee Co. and participated in by The Wisconsin Co. and Loewi & Co.

The Marshall & Ilsley Bank the oldest bank in the Northwest, has operated continuously for 96 years without merger or consolidation. The bank was incorporated in 1888 with a capital of \$200,000. The new preferred stock issue, says the Milwaukee "Sentinel," brings its capital up to \$3,000,000. Surplus, undivided profits and reserves are \$1,979,-The proceeds of the sale of the preferred stock will be used to retire \$1,100,000 capital debentures, providing permanent capital to support deposit increase.

Horace Dunbar, Vice-President of Citizens National Trust & Savings Bank of Los Angeles for the departments, tendered his resignation effective April 30. former attorney and newspaper editor, Mr. Dunbar was associated for many years with the agricultural and citrus fruit industries in southern California prior to joining the bank as Vice-President in 1930. He states that he will take an extended rest before announcing any future plans.

Allotments To Banks On 7/8% Certificates

Secretary of the Treasury Morgenthau announced on April 26 the final subscription and allotment figures with respect to subscriptions in the Second War Loan Drive from commercial banks for their own account for the current offering of %% Treasury certificates of indebtedness of series B-1944. This security was available to commercial banks in the first three days of the drive, April 12, 13 and 14, with sales limited to around \$2,000,000,000.

Subscriptions and allotments were divided among the several Federal Reserve Districts as fol-

| IOWS. | | |
|----------------|-----------------|-----------------|
| Federal | Total | Total |
| Reserve | Subscriptions | Subscriptions |
| District | Received | Allotted |
| Boston | \$489,336,000 | \$103,900,000 |
| New York | 3,534,739,000 | 664,791,000 |
| Philadelphia _ | 405.572,000 | 94.676.000 |
| Cleveland | 641,538,000 | 154,363,000 |
| Richmond | 419,912,000 | 101,568,000 |
| Atlanta | 555,870,000 | 131,860,000 |
| Chicago | 1,423,568,000 | 326,942,000 |
| St. Louis | 381,530,000 | 105,976,000 |
| Minneapolis | 184,296,000 | 65,196,000 |
| Kansas City | • 344,751,000 | 100,044,000 |
| Dallas | 394.472,000 | 93,079,000 |
| San Francisco | 1,006,421,000 | 195,829,000 |
| Total | \$9,782,005,000 | \$2,138,224,000 |

Pay On Rio Grande 7s

Ladenburg, Thalmann & Co., as special agent, is notifying holders of State of Rio Grande do Sul (United States of Brazil) 40-year ternal loan of 1926, that funds have been deposited with it sufficient to make a payment, in lawful currency of the United States of America, of 17.50% of the face amount of the coupons due May 1, 1941, amounting to \$6.121/2 for each \$35 coupon and \$3.061/4 for each \$17.50 coupon. From the announcement we also quote:

"Pursuant to the provisions of the Presidential Decree of the United States of Brazil, such payment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims

for interest represented thereby. "No present provision, the notice states, has been made for the 1. 1933, inclusive, but they should

Business Meeting Challenge Of War, Says Roosevelt, But Calls For More Teamwork

President Roosevelt, in a message to the United States Chamber of Commerce annual meeting in New York on April 29, said that "American business is meeting the challenge of war," but urged that 'more cooperation, more teamwork and more production, all the way from the farms and mines through the assembly lines, will enable us to win the war more quickly

The following is the President's Hato Highway. message, addressed to Eric Johnston, President of the Chamber:

"Through you I wish to extend greetings to the business men of the nation as represented by members of the United States Chamber of Commerce, assembled in your annual meeting and War Council.

"Our form of government, based as it is on a system of free enterprise, is meeting successfully the challenge of the totalitarian governments. We are meeting the test because there is unity of purpose on the part of our people in all walks of life. In a democracy, difference of opinion as to methods of reaching an objective past 13 years, and in charge of the may be expected, but on the overnew business and public relations all task of defeating the Axis powers there is united determination.

> "Only by teamwork on the part of labor and management could we have reached the present high peak of production so essential to the successful prosecution of the war. Our factories are now turnning out munitions of war which in quantity and effectiveness far exceed the expectations of our enemies when they decided to make war upon us and our way of life

> "But we are not satisfied. We must not be satisfied. More cooperation, more teamwork and more production, all the way from the farms and mines through the assembly lines, will enable us to win the war more quickly.

> "The gains we are making in the production of war goods are the fruits of cooperation between management and employees in their devotion to a common cause. Members of the U.S. Chamber of Commerce may well be proud of the contribution they have made under your able leadership. I have had opportunity to know of and cause to appreciate that lead-

> "American business is meeting the challenge of war and meeting it in a way that brings comfort to our people, and fear to our enemies."

Panama Concessions Voted

The Senate passed on April 26, by a vote of 37 to 19, a joint resolution transferring to Panama certain United States properties and facilities in that country. The measure, which now goes to the White House, was approved by the House on April 13. Senate approval came after op-

ponents of the legislation, led by Retail Senator Nye (Rep., N. D.), contended that the international Repeal agreement should have been in Factory Workers' Hours, Earnings in tended that the international treaty form, which would have required a two-thirds vote of the Senate, rather than submitted by executive authority in the form of a resolution requiring only a majority vote of both branches of Congress.

An identical resolution was passed by the Senate at the last session of Congress (neted in these columns Dec. 17, page 2163) but was not acted upon by the House before adjournment.

The new resolution authorizes: "1. Surrender to Panama of the American-owned water and sewage systems in Panama City and Colon, which otherwise would not revert to Panama until 1957.

struction of the strategic Rio

President Roosevelt recommended passage of the measure in August in order to "correct certain factors in the relations between the two countries which do not make for confidence and friendship." The President explained at that time that the Panamanian Government's attitude in the international crisis was "thoroughly cooperative" with the United States and that this Government should make certain concessions which have long been desired by Panama. This was noted in our issue of Aug. 27, page 717.

(Continued from first page)

Zinc Sales....*
"These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in August 27, 1942, "Chronicle.")

Miscellaneous House Approves Tax Forgiveness Bill. 1681 Coal Strike Ended in 15-Day Truce. 1684 Ask Congress to Probe WPB Steel Paul Mallon's News Behind the House Orders Inquiry in Newsprint Plan Says OWI Hampered by Lack of Foreign Policy
Uruguay Approves U. S. Loan
Newspapers Not Obliged to Disclos
Wage Records Rule
Lend-Lease Aid to Africa....
Green Says Workers Guard Free Burke Named OPA Counsel..... ward Treasury Allotments of 7/8% Certificates
Pay on Rio Grande 7s.....
PDR's Message to U. S. Chamber Meeting . Approve Transfer of Properties to .1696 Panama Ickes Gets Wider Powers Over Solid 1696 Fuels 1681
Negroes to Occupy 12% of Federal
Housing 1691
Canada to Open Consulate in New
York City 1691
Retail Dry Goods Group to Hold
War Forum N. Y. Board Asks Transportation Tax Freight Carload Tons at Record...1683 Urges Reversing Selective Service for Post-War Adjustment U. S., Mexico Form Economic Com-

Panama Railway Co. In the two cities.

"3. Cancellation of a \$2.700.000 debt to the Export-Import Bank to cover Panama's share in con-